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## 'I Misled People; I Deeply Regret That'

## President's Speech Offers A Little Bit of Contrition With a Lot of Defiance

By Dan Balz

WASHINGTON — No president has ever been forced to address such personal issues in a nationally televised address, and President Bill Clinton went further than he ever has in taking responsibility for his private behavior and expressing regret for the pain he has caused his family. "I misled people, including even my wife," he said. "I deeply

But this was no mea culpa speech. This was Mr. Clinton as the country has seen him before when he faced political trouble, Mr.

Clinton as defiant as he was contrite. Having bared his soul, he asked the country to take his side in a

bitter political battle that has convulsed Washington for the past seven months. In that sense, the tone of his speech represented one of the biggest gambles of his pres-The president's advisers hoped the speech would mark the be-

ginning of the end of the investigation by Kenneth Starr, the independent counsel. But in his sharp criticism of the intrusiveness of Mr. Starr's investigation, the president may have guaranteed that there can be no early cease-fire in a war that already has taken a political toll on the country.

The president's refusal to answer some questions during his grand jury testimony sets up the next phase of the battle. His advisers will now dare the independent counsel to pursue intimate details of Mr.

Even in a moment of contrition, the president's speech signaled a familiar strategy: renewed attacks on Mr. Starr's investigation, attacks designed to play to a scandal-weary public. White House officials believe most Americans are eager for the scandal to be over. The polls have lold them that for months.

Their bope is to reduce Mr. Starr's investigation to matters of sex: to whether Mr. Clinton lied about a sexual relationship. If they succeed, they believe it will be virtually impossible for Congress to impeach him.

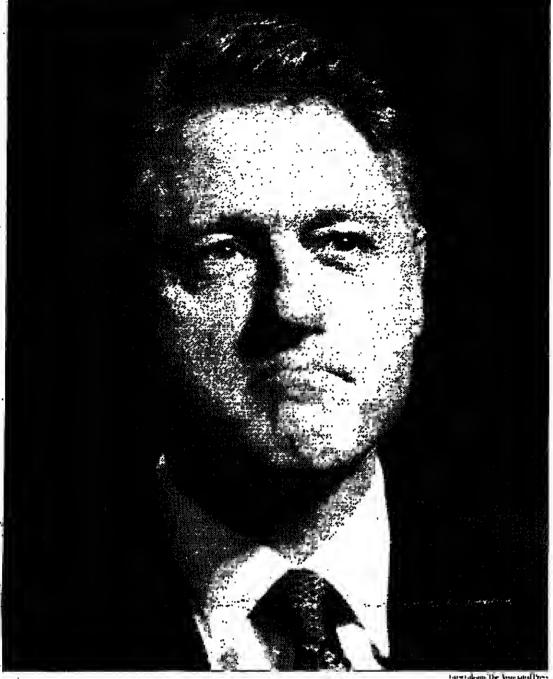
They are singularly focused on the politics at the moment," a congressional Democrat said of the mood of lawmakers on Capitol Hill, "and the politics are: If some 70 percent of the public doesn't

want to know about this, who are they to raise it?"

But the same person acknowledged that clear evidence of obstruction of justice or subornation of perjury could force con-gressional action. Mr. Start will probably not report to Congress until

With his leadership shattered by a credibility crists of his own making. Mr. Clinton faces the most daunting challenge of his political career. He must attempt to rescue the final years of his presidency and his reputation in history.

See ATTACK, Page 8



President Bill Clinton admitting that his relationship with Monica Lewinsky was not appropriate.

#### Character Rating Sinks, Raising Questions About Ability to Lead Nation

By Brian Knowllon

WASHINGTON - President Bill Clinton's televised admission of an inappropriate relationship with Monica Lewinsky brought a sharply critical response Tuesday from some Republicans and a sharp decline in the public's opinion of his character. But it left unanswered questions about the extent to which his ability to lead the nation has been compromised and where the investigation goes

Democrats and top presidential advisers rallied around Mr. Clinton on Tuesday and said it was time to bring a close to the Lewinsky matter. Americans, the polls showed, were disappointed by the president's admission hut want him to stay in office.

And U.S. stocks, apparently boosted by Mr. Clinton's effort to put

the maner behind him, rose Tuesday. In a four-minute broadcast Monday night seen by nearly twothirds of Americans, Mr. Clinton retreated from seven months of denials and admitted that he had had a relationship that was "not appropriate" with Ms. Lewinsky, 25, beginning when she was a White House intern.

Without offering specifics, he acknowledged "a critical lapse in judgment, a personal failure on my part, for which I am solely responsible." He said that "my comments and my silence about this matter gave a false impression.

But the embattled president shed no light on the specifics of the case that has brought emharrassment and peril to his administration. With Kenneth Starr, the independent counsel, working to complete a report to Congress, and the possibility that Mr. Clinton's testimony Monday might be leaked, there was a sense that explosive, or at least highly embarrassing, developments might still lie ahead.

Mr. Clinton spoke somberly, yet defiantly, from the same seat in the White House Map Room that he had occupied earlier for more than four hours as prosecutors from the office of the independent counsel asked him, in what was the cribed later are a trace and all the counsel asked him, in what was the cribed later are a trace and all the counsel asked him, in what was the cribed later are a trace and all the cribed later are a trace and all the cribed later.

counsel asked him, in what was described later as a tense session, to reconcile his earlier denials with evidence that reportedly included

Ms. Lewinsky's testimony of an 18-month affair.
While he said that what he had done was "wrong." did not specifically offer a public apology. He sounded an angry tone in denouncing the office of the independent counsel for its four-year investigation of his conduct and for "prying" into what he said were

Referring to the investigation, he said, "This has gone on too long, cost too much and hurt too many innocent people

Mr. Clinton denied that he had committed perjury regarding his relationship with Ms. Lewinsky and said that he had never asked

The president made no public comment Tuesday. But he delayed

See CLINTON, Page 8

## Hedging Bets on White House

By Joseph Fitchett International Herald Tribuni

PARIS - In Europe and Asia, President Bill Clinton's speech seemed to generate more questions than answers about the significance of the extraordinary scene of an American president asking the country to forgive him.

Iraqi media pronounced the president's bumiliation an Israeli plot, but elsewhere the immediate reactions were uncertain, even ambivalent, about how to read this peculiarly American melodrama of politics and sex.

Most foreign commentators Tnesday were placing small bets that Mr. Clinton had secured his survival in office, but hedging them with doubts about his ability to rebound effectively. Informed reactions were sparse; many news-

papers on both continents had closed their final editions before the president's appearance on television Monday night, and political leaders, bunkered down on August vacations, seemed content to withhold comment until the dust had

But some newspaper commentators seemed to reflect a new sense of concern that Mr. Clinton's troubles had taken a beavier toll than previously assumed. Initial reactions came mainly from mainstream newspapers because most prominent television commentators and talk-show hosts were on vacation and Internet chat offered no significantsounding new views on Mr. Clinton.

A German commentator expressed admiration for Mr. Clinton's ability to keep up presidential

See WORLD, Page 8

#### Mea Culpa Leaves **America Divided**

• Clinton's mea culpa leaves Americans as divided about him as ever. Page 2.

 A day like no other in American bistory: A president testifies before a grand jury. Page 2.

 President's minimal testimony is a legal gamble. Page 3.

· The full text of the president's

brief statement. Page 3. • From Hawaii, Vice President Gore defends Clinton: "I am proud of him." Page 3.

#### By Todd S. Purdum Von York Linns Service

WASHINGTON - On Jan. 20, 1997, as an ebullient Bill Clinton took the oath of office for the second term that he hoped would secure his place in history, he returned to a theme that had been at

the core of his claim to be a new kind of Democrat, declaring: "Each and every one of us, in our own way, must assume personal responsibility, not only for ourselves and our families but for our neighbors and our

Exactly one year later, Mr. Clinton learned that Kennetb Starr, the Whitewater independent counsel, was investigating accusations that the president had started a sexual relationship with a White House intern in 1995 and then tried to cover it up.

Had the man who won the presidency by speaking out for the people who "play by the rules" once more surrendered to a lifelong compulsion to bend and break them? Monday night, in the most painfully personal public confession of his life, and perhaps in American political life. Mr. Clinton was forced to acknowledge, in tight and reluctant tones,

that he had. "I must take complete responsibility for all my actions, both public and private." the president said, adding that his relationship with Monica Lewinsky was wrong and constituted a critical lapse in judgment and a personal failure on my part for which I am solely and completely responsible.

How someone of such surpassing intellect and

See PSYCHE, Page 8

## IRA Offshoot Expresses Regrets for Ulster Bomb

'We Didn't Intend to Kill, and We Apologize'

By James F. Clarity New York Times Service

BELFAST — As the first victims, a pregnant Roman Catholic mother and her baby daughter, were buried Tuesday, three days after the deadliest ter-rorist attack in 29 years of sectarian violence in this British province, a Catholic splinter group claimed responsibility for the bomb, which killed 28 people and injured 220.

The group, calling itself the Real IRA, said it did not intend to kill people, but only to destroy property in the shop-ping district of Omagh, 60 miles (100 kilometers) west of Belfast. The group,

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in a telephone call to a newspaper office in Dublin, denied assertions of police and ranking British and Irish officials that it gave a deliberately misleading warning to police before the bomb ex-ploded. Police said the warning led them to move bundreds of shoppers closer to the bomb, rather than away from it. They said the warning stipulated the

courthouse as the targeted area.

The Real IRA spokesman, using a recognized IRA code word to identify himself, said that in three phone calls on Saturday, two to Ulster Television in Belfast and one to the Samaritans, it was made clear that the bomb would be 300 to 400 yards away from the courthouse. Police said they had been told the courthouse was the target area, and moved people away from it.

The Real IRA, comprising about 100 Republicans, including some skilled in bombmaking, split away from the Irish Republican Army this year. The state-ment by the spokesman Tuesday said, "At no time was it said it was near the courthouse. It was a commercial target. Despite media reports it was not our intention at any time to kill any civilians. It was a commercial target, part of an ongoing war against the Brits. We offer apologies to the civilians."

Seven hours before the statement,

See ULSTER, Page 8



Friends and family carrying the coffins Tuesday of Avril Monaghan and ber baby daughter at the first burials of Omagh bomb victims.

#### AGENDA

A Compulsion to Bend Rules

#### In Congo, a Mood Of Menace Grows

"This is no time to dehate the flaws of our leaders," said an 18-year-old recruit mobilized in Kinshasa to defend his homeland. "Our country is about to be swallowed up."

In the menaced capital, no one goes out into the streets after the sun goes down. Thousands of soldiers and new recruits, some trained with muffler pipes instead of rifles, mill about the city. They have been rallied to defend Congo against what is described as a Rwanda-instigated insurrection against the government of Laurent Kabila.

Once again, it seems that the neghhors of Congo will play the decisive role in what will happen in the country. under internal and external threat of division and more struggle. Page 8.

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Yen	144.85	145.955
FF	6.039	6.013
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Books	-	Page 9.
Sports		Pages 18-19.

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## Russians Scramble for Dollars as Ruble Plummets

By David Hoffman ashington Post Service

MOSCOW - One day after it was allowed to float. the Russian ruble quickly tumbled on Tuesday, going even lower than the Central Bank said would be the limit for the rest of the year as Russians searched for U.S. dollars to protect their savings.

The dollar was in such demand that many exchange offices in Moseow and elsewhere exhausted their supply by midday.

On Monday, Russia in effect devalued the currency to stave off financial collapse. The ruble had been to stabilize, the first day suggested a fair amount of

trading at 6.3 to the dollar before the devaluation, and the Central Bank said on Monday that the outer limit would be 9.5 to the dollar by the end of the year. But the currency went beyond that limit across the

World markets react calmly to ruble. Page 11.

enuntry. Reports from Vladivostok to Moscow had huyers paying 111 to 12 rubles - in some places more to get one dollar.

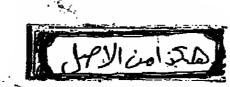
Although it may take days or weeks for the currency

uncertainty about how far the devaluation would go. In some places, the ruble hit 15 to the dollar. The Bank of Moscow and Bank Imperial stopped selling cash dollars, Interfax reported.

The news agency Prime-Tass quoted a Russian commercial bank official as saying that the credit card company Visa had urged Russian banks to stop issuing cash advances on its cards.

Prices were not yet being raised dramatically in Moseow, and the authorities threatened to send out inspectors to police against gouging.

See RUBLE, Page 15



# Clinton's Mea Culpa Leaves Americans as Divided About Him as Ever Impeachment? Not Important? Take Your Diel.

It was typical Clinton -

owes it to the American

people to resign."

dishonest, blaming others,

just what I anticipated. He

would be over.

By Sam Howe Verhovek

SEATTLE - Lisa Wessels describes herself as "pro-Clinton" and Scot Baker says he is "anti-Clinton," opposed points of view that have not prevented the Seattle couple from planning to marry. And when the two 30-year-olds met after work Monday evening and watched President Bill Clinton speak from the White House, both initially chose the same word to describe the address: "embarrassing.

But their words, it turned out, did not mean the same thing. Miss Wessels, a licensing specialist, felt bad for Mr. Clinton. "I can't believe that he had to do this, forced to stand up and talk about his private life like that," she said. "It was surreal. It's like I wasn't watching the president of the United States, I was watching Richard Dreyfus play the president of the United States in some bad movie. I

feel sorry for him." But for Mr. Baker, a recruiter for the software giant Microsoft, the embarrassment was for Americans in general. "I always told my friends he has no integrity. that squinty little twinkle in his eye." he said. 'Now we know for sure. But I'm not happy about it. It's embarrassing for the country. This is our president.

Around the United States, in their homes and crowded around television sets in public places, Americans in huge numbers stopped what they were doing for four minutes Monday night to watch Mr. Clinton speak. But if such communal events often serve to bind people together in the face of a national tragedy or emergency, a series of conversations around the country afterward suggested that Mr. Clinton's

speech had left people as divided about him as ever. While many people, reflecting polls over the last several months and instant polls taken Monday night, still say the matter is not enough to warrant impeachment of Mr. Clinton, a clear undercurrent in others' characterizations was that now,

more than ever, Mr. Clinton needs to go.

"This man lied in front of the nation, and he basically admitted it," said Mike Bagdassarov of Baltimore, an intelligence analyst for the Maryland state police. "He shouldn't be president. It's that simple."

Said I'm Fishelberger an Atlanta lawyer: "I think it was

Said Jim Eichelberger, an Atlanta lawyer: "I think it was typical Clinton — dishonest, blaming others, just what I anticipated. He owes it to the Democratic Party and the American people to resign.'

Many of those who were inclined to forgive the president said they didn't believe his speech would put the Monica Lewinsky matter to rest, partly because, in their view, he did not really accept full responsibility for what happened.

'He's still trying to weasel out of it," said Janice Scallon,

27, an independent contractor for social-service programs in Chicago. "It wasn't even a full apology. Instead, he said it was inappropriate. If he just said, hey, he had sex with her, then it While very few people seemed to watch the speech and find themselves liking the president any better than they had before, many said that they still felt strongly that the matter "I guess if you can't trust yout president, that's something you've got to think really hard about," said Buddy Fry, manager of Slick Willie's Pool Hall in Houston, an establishment that got its name long before Mr. Clinton's critics started referring to him by that name in the 1992 campaign. 'But hey, the economy is doing so well, as well as I can ever remember. If I have to weigh the economy against his sex life, I guess I'd have to go with the economy. A New York Times/CBS News Poll taken immediately after the speech showed a continuation of the strong public desire to move beyond the scandal. Sixty-three percent of the respondents said the Lewinsky matter should be dropped, now that the president has testified to the grand jury and addressed the nation, compared with 18 percent who said he should resign and 12 percent who said Congress should begin impeachment proceedings.

And 65 percent said Mr. Clinton should have made a public

Florida, who watched at a Jackson, Tennessee, bar, said of Mr. Clinton's explanation: 'No way.'

Across the country, Americans tuned in to the president's speech. Sherrie Landers of Tampa,

very poor apology. It wasn't sincere. He wasn't contrite." To be sure, some people felt the opposite, that the president

was too contrite. "I wish be had said, 'Yes, I did it' - everyone knew that, anyway - but then was more forceful in saying, 'I did nothing illegal, that this whole investigation is wrong, it's costing too much time and money,'" said Andrea Wagner, an arts administrator in Seattle. "But instead he was like a dog with his tail between his legs. He was so caught up in being apologetic."

A surprising number of people said they found themselves thinking about his wife and daughter as he gave the speech. Michael Doeckmann, 45, a customer service representative for a telephone supply distributor in the Memphis area, said he felt deeply sorry for Chelsea Clinton, but not her mother. "I think she is so interested in his staying in office she will do

whatever it takes to stay there," he said. "But I would like to know exactly what she really thinks about this. I don't think we ever will know, but I'd like to."

Mr. Clinton's appeal that the nation focus on other issues bothered many who watched the speech, who described that as a transparent attempt at diversion.

The speech, with its criticism of Kenneth Starr's inves-ation, "kind of reminded me of Nixon's first Watergate speeches, talking about how important détente was," said Joe Heinen, a bartender. "Pretty shifty, actually."

Mary Drucker, a nursing student from Bellingham, Washington, described herself as "livid" after the speech. "It really burned me up when he said we should turn to the nation's problems. As far as I'm concerned, what he did goes to the heart of the nation's problems."

## A Day Like No Other

#### **During Historic Confrontation, Government** Chugs Along, Awaiting Outcome of Testimony

By R.W. Apple Jr.

WASHINGTON — It was a typical humidity, skies pewter-gray, a thunderstorm in the afternoon, traffic

Vacationers' Bermuda shorts outnumbered locals' husiness suits.

Yet it was also a momentous day, a day like no other in the republic's long history. For the first time ever, a president was giving testimony to a grand jury investigating possible criminal conduct on his part.

Sitting in the ground-floor Map Room at the White House, where Franklin D. Roosevelt kept track of the struggle against Hitler and the Axis powers, Bill Clinton was grilled by his nemesis, Kenneth Starr, the independent counsel, in the kind of taut face-toface confrontation that few presidents ever endure.

Historic? Dramatic? Shakespearean in its grand conflicts?

That and more. The president's predicament, and especially the suggestion that he had been lying from the start about his relatiooship with Monica Lew-

insky, rasped against national myth. Truth-telling is a salient feature of American heroes, and even in a cynical age, the images of Honest Abe Lincoln August day in the capital - air heavy and George Washington, who could not tell a lie. lurk in the public conscious-

> But this was a play without an audience. The few who gathered near the White House and the courthouse, where the grand jury sat, linked hy closed-circuit television to the Map Room, saw nothing and heard nothing. There were no shadows on the wall or echoes on the wind for imagination to feast on.

> Gazing at the horde of carnera crews on the White House lawn. Cynthia Young, a 26-year-old social worker Philadelphia, sensed the magnitude of the occasion hut said she felt curiously unplugged: "It's kind of strange walking around here and not knowing what is actually happening."

> The government, as is its wont, ground on. The Treasury Department sold \$5.79 billion in three-month hills at an average discount rate of 4.91 percent, the Parole Commission met in suburban Chevy Chase, Maryland, to discuss its hudget and the Environmental Protection Agency considered ways to enable



Politicians were on their guard, es-Politicians were on their guard, especially Republicans. But some Democrats, including both members of Congress and presidential aides, said privately that they felt betrayed, having doggedly upheld Mr. Clinton's early denials only to be told at the last minute that he was changing his etory. that he was changing his story. Finally, the president's private law-

yer, David Kendall, came ont into the White Honse driveway to make what on one level sounded like a perfunctory statement but on another sounded like a polemic salvo in this war of words. A certain contempt dripped from his description of a "four-year, \$40 million" investigation that had reached into Mr. Clinton's "private life."

Tourists gathering at the White House fence at a historic moment. But there was nothing for them to hear or see of the president's testimony to the grand jury.

the four hours and more that the president testified, accompanied only by timee lawyers, by telling each other rannehy jokes and making ribald puns - the same jokes, the same puns that lobbyists and others exchanged at water coolers around the city.

Inside the White House, aides passed

"It's like Election Day," one presential adviser said, "except there idential adviser said, aren't any exit polls."

Another remarked: "Everything is on hold. You wait, hope it goes well, but you can't do much. Well, you can always spin. In Wash-

ington, that never stops completely.
So the White House let it be known that Erskine Bowles, the chief of staff. had done his best to rally the troops at the senior staff meeting Monday morning. He stressed "the importance of sticking together," two of the participants reported. He apparently did not echo the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin's factories is instituted to the other half of Benjamin Franklin factories is instituted to the other half of Benjamin Franklin factories is instituted to the other half of Benjamin Franklin factories is instituted to the other half of Benjamin factories is instituted to the other half of Benjami lin's famous injunction to his colleagues at the signing of the Declaration of Independence, "We must all hang together, or assuredly we shall all hang separately."

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#### TRAVEL UPDATE

people to use their home computers to

detect impurities in drinking water. But everyone in Washington waited

and waited, all day long — Hillary Rodham Clinton, Chelsea Clinton, law-

yers, hureaucrais, reporters, tourists—for word that the testimony had ended. Then they waited some more for the president's speech to the nation.

statement about the relationship sooner, even as his joh

approval rating remained steady, in the high 60s.

The poll, based on a survey of 396 adults, has a sampling

error of plus or minus 5 percentage points. Such instant, one-night polls are considered less reliable than polls, such as the typical New York Times/CBS News survey, that are based on larger samples and conducted over several days. Moreover.

There was little expectation before the speech that the

There was nothing he could say," said Jeff Lewelling, a

president could say much to justify himself, and little feeling

project coordinator for a welfare-to-work program in Chicago, who watched the speech at a local puh. "His credibility was

In Austin, Texas, Shedric Jones, a 34-year-old shoeshine operator, said he was relieved, but not surprised, that the

president had finally come out and explained to the American

people that he had been wrong. But Larry Foster, a 57-year-old pilot for American Airlines in

Dallas, said he thought the president's remarks fell short. "He

was hardly apologetic. I never saw any houest apology. He said, 'It's a personal matter,' It's not a personal matter. It affects every person in the United States. He swore to uphold the truth. It was

initial reactions sometimes change

afterwards that he had succeeded

#### Sewage Spill Closes Eilat's Beaches

EILAT, Israel (AFP) — A massive spill of raw sewage through the streets and onto the beaches of this renowned Red Sea resort has forced the authorities to close most of the waterfront to bathers, officials said Tuesday.

Beaches along the three-kilometer (1.8-mile) main strip of hotels at the northern tip of the Gulf of Aqaba were closed by order of the Ministry of Health, dealing a severe blow to Eilat at the height of the summer tourist season.

The alert began over the weekend when a main sewage line collapsed. Tests of water off the main beaches found that bacterin from human waste was at 50 times the permitted

#### Saudis Raise Internal Flight Fares

RIYADH (AFP) - Saudi Arahian Airlines, the Middle East's largest international carrier, will raise domestic fares by as much as 50 percent in an effort to reduce losses, a local

as much as 50 percent in an enort to reduce reason, a newspaper reported Tuesday.

From Aug. 23, fares in first class will rise 50 percent while husiness class fares will rise 35 percent on the state-owned airline's internal flights, Al Iqtisadiya said.

The airline had been operating at a loss mainly because of its policy of low fares for Saudis on internal flights.

#### Correction

A caption on a Reuters photograph in Aug. 17 editions incorrectly said that the singer Joni Mitchell appeared at the Woodstock festival in 1969. Although she did not appear, she did write a hit song about it.

#### WEATHER



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Middle East

## Clinton Takes Gamble With Spare Testimony

Hoping to Leave Starr Too Little Evidence

A high-stakes

strategy that

possibility of

raises the

By Susan Schmidt and Ruth Marcus Washington Post Service

WASHINGTON - President Bill Clinton's legal strategy of denying any perjury and offering minimum details about his relationship with Monica Lewinsky appears to be a gamble that the independent counsel Kenneth Starr will be left without enough evidence to bring a criminal case or convince Congress to

begin impeachment proceedings.

The centerpiece of Mr. Clinton's de-

that he had had a sexual relationship with Ms. Lewinsky was "legally accurate" and therefore did not constitute perjury. He asserted that he did not encourage Ms. Lewinsky to lie or obstruct justice in any

additional legal improper relationship
with Ms. Lewinsky but denying that he had lied under oath in his deposition in his deposition in the latter of from during the first they backed off from during the first that prosecutors raised during their questioning their questioning the first that prosecutors raised during their questioning their questioning the first that prosecutors raised during their questioning their questi

narrowly legalistic view of the definition of 'sexual relationship' used by the Jones lawyers and arguing that whatever the nature of the contact because of the tween him and the former intern, it did not fit within that definition.

not constitute perjury even if they are series of questions, they have to answer misleading. But Mr. Clinton's apparent them,' said Lawrence Barcella, a argument, even if it is accepted, does not former federal prosecutor. "A witness address a number of other statements be made during the deposition, such as his assertion that be did not recall being alone with Ms. Lewinsky and did not discuss with her the subpoena from Ms. Jones's lawyers

Nor does it take into account other evidence that Mr. Starr has amassed for example, Ms. Lewinsky's reported testimony that she and Mr. Clinton discussed ways to hide their relationship

## Gore 'Proud' Of Testimony **By Clinton**

By B. Drummond Ayres Jr.

WASHINGTON — In the early days of the Monica Lewinsky investigation, Vice President Al Gore strongly defended President Bill Clinton against all allegations of wrongdoing, saying he was a strong and honest leader with whom he was proud to work.

But as the investigation dragged on, Mr. Gore adopted a somewhat modified approach to defending the president, saying instead that Mr. Clinton had denied any wrongdoing and that there appeared to be no reason to question that denial.

Monday night, after the president appeared on nationwide television and admitted that he had been less than forthcoming about his relationship with Ms. Lewinsky, Mr. Gore, whose political hopes in the year 2000 could well depend on the outcome of the Lewinsky investigation, once again spoke out strongly in defense of Mr. Clinton.

"I am proud of him," be said in a statement issued by his office, "not only because he is a friend, but because he is a person who has bad the courage to acknowledge mistakes. I am honored to work with this great president on his agenda for the nation and I believe it is time to put this matter behind us once and for all and move forward with the husiness of the United States of America

Mr. Gore is on vacation in Hawaii, abom as far away from Washington, the president and the grand jury as he could get and still

be in one of the 50 states. According to the statement, he telephoned the president after the television appearance and said that he and his wife, Tipper, had Mr. Clinton "in our hearts and in our

Jennifer Devlin, a press aide to Mrs. Gore, said the couple had gone to Hawaii for a work break that had been in planning for at least three

The Gores arrived in the islands on Aug. 11 and will depart Aug. 26 for San Francisco, where they will participate in several Democratic Party events before returning to Washington on Aug. 28.

Ms. Devlin said the couple have a sentimental attachment to Hawaii. They spent their honeymoon there in 1970 and have returned a number

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from the Jones lawyers and to avoid turning over gifts that had been subpoenaed.

More immediately, Mr. Clinton's angry public denunciation of the independent counsel and his refusal to answer some questions that prosecutors put to him Monday behind closed doors is a high-stakes strategy that raises the pos-sibility of additional legal confrontations

between Mr. Clinton and Mr. Starr, Mr. Starr withdrew his initial subpoens to the president in return for Mr. Clinton's promise to answer prosecufense, as he told the country Monday tors' questions. But Mr. Clinton balked night, is that, while admittedly mislead—at answering what he considered unduly ing, his denial under oath last January intrusive questions and cut off pros-

ecutors' questioning at the agreed-npon hour, even though they had not finished.

Given that stance, Mr. Starr could reissue the subpoena and seek to have Mr. Clinton held in contempt if he refuses to comply, a possibility

the Paula Jones sexual harassment case, they backed off from during the first Mr. Clinton appears to be adopting a round and challenge Mr. Starr's con-

they were too intimate is highly unusual. 'Unless a witness has a legitimate priv-Answers that are technically true can-ilege to refuse to answer a question or can't just refuse to answer a question

because he or she doesn't feel like it." But a lawyer for Mr. Clinton, David Kendall, said the president was justified in refusing to answer because some of the questions about what transpired between Mr. Clinton and Ms. Lewinsky were improperly and unnecessarily graphic. "As to a very few highly intrusive questions, with respect to the specifics of this contact, in order to preserve personal privacy and institutional dignity, he gave candid, but not detailed. answers," Mr. Kendall told The As-

As he weighs the evidence against Mr. Clinton, Mr. Starr could still decide to seek an indictment of the president, alwith constitutional questions.

The more probable outcome is a re-

sociated Press.

port to Congress that will outline evidence of possible grounds for impeachmentand that, logal sources said, could cite Mr. Clinton's refusal to answer all the questions posed to him as evidence of efforts to impede the grand jury in-

Mr. Starr's office was silent on its

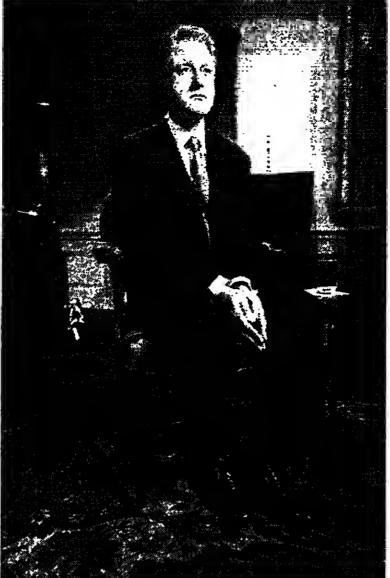
Mr. Starr's face-off with Mr. Clinton was the climax of seven difficult and bitter months of investigation and the her husband to prepare for his fateful last major step before Mr. Starr sends the grand jury testimony has coincided with smartest lawyer in town and the pres- they have no role." matter to Congress for possible impeachment proceedings.

Now that he has secured the pres-ident's account of his relationship with Ms. Lewinsky, Mr. Starr may recall a few witnesses before the grand jury to: test Mr.: Clinton's story, the most likely being Ms. Lewinsky and Mr. Clinton's personal secretary, Betty Curric.

Mr. Starr may also want to question more Secret Service officers, and be has not yet obtained the full testimony of Bruce Lindsey, the deputy White House counsel and one of the president's closest friends.

But Monday's session with Mr. Clinbeginning of the end for Mr. Starr's role of Mr. Clinton to Congress, which has shown little enthusiasm for taking it

has anything other than the affair. If husband's relationship with Ms. Lew-there is nothing else, the House will find a means to truncate this, but if there is "That strikes me as ridiculous," said something else, the House will have to one friend who has seen Mrs. Clinton do something more."



Bill Clinton in the Map Room, where he testified, before his speech.

## Text of Clinton's Speech

The text of President Bill Clinton's address to the nation, as transcribed by the Federal Document Clearing

Good evening.

This afternoon in this room, from this chair, I testified before the Office of Independent Counsel and the grand

I answered their questions truthfully. including questions about my private life, questions no American citizen

would ever want to answer. Still, I must take complete responsibility for all my actions, both public and private. And that is why I am speak-

ing to you tonight. As you know, in a deposition in January I was asked questions about my relationship with Monica Lewinsky. While my answers were legally accur-

ate, I did not volunteer information.
Indeed, I did have a relationship with Ms. Lewinsky that was not appropriate. In fact, it was wrong, it constituted a critical lapse in judgment and a personal failure on my part, for which I am solely

and completely responsible. But I told the grand jury today, and I say to you now, that at no time did I ask anyone to lie, to hide or destroy evidence

or to take any other unlawful action. I know that my public comments and my silence about this matter gave a false impression. I misled people, including

even my wife. I deeply regret that. I can only tell you I was motivated by many factors — first, by a desire to protect myself from the embarrassment

of my own conduct. I was also very concerned about pro-tecting my family. The fact that these questions were being asked in a politically inspired lawsnit which has since been

dismissed, was a consideration, too.

In addition, I had real and serious concerns about an independent counsel investigation that began with private business dealings 20 years ago, dealings, I might add, about which an independent federal agency found no evidence of any wrongdoing by me or my

wife over two years ago. The independent counsel investigation moved on to my staff and friends. then into my private life. And now the investigation itself is under investiga-

This has gone on too long, cost too much and hurt too many innocent

Now, this maner is between me, the two people I love most — my wife and our daughter — and our God. I must put it right, and I am prepared to do

whatever it takes to do so. Nothing is more important to me personally. But it is private, and I intend to reclaim my family life for my family.

It's nobody's husiness but ours. Even presidents have private lives. It is time to stop the pursuit of per-sonal destruction and the prying into

private lives and get on with our national Our country has been distracted by

this matter for too long, and I take my responsibility for my part in all of this.

That is all I can do. Now it is time - in fact, it is past time

to move on.

We have important work to do, real opportunities to seize, real problems to solve, real security matters to face.

And so tonight I ask you to turn away from the spectacle of the past seven months, to repair the fabric of our national discourse, and to return our attention to all the challenges and all the

promise of the next American century. Thank you for watching, and good night.

## Ever-Helpful Mrs. Clinton Rides Out the Pain

WASHINGTON - The lawyer whose guidance and support has mattered most in the president's career

his wife — was not by his side when Mr. Clinton made his televised address to the nation or part of the legal team advising the president earlier in the White House Map Room.

Still, according to several advisers, Hillary Rodham Clinton played a pivotal though that is the least likely of the role in crafting Mr. Clinton's public and possible scenarios and one that is fraught with constitutional questions.

Finally Redutant Clinton project a product though that is the least likely of the role in crafting Mr. Clinton's public and private testimony in an extremely painful day in the history of her marriage and her husband's presidency.

According to one close associate of the president's, Mrs. Clinton helped write her husband's short speech and played an instrumental role in strategy meetings throughout the weekend. "She has been the strength as usual,"

said the associate, who asked not to be identified, "The incredible fact is that she helped write the speech. How'd you like to have a wife like that?" Mrs. Clinton's central role in helping

learned in recent days that her husband ginning." was acknowledging an improper relationship with Monica Lewinsky Indeed, as the president and his ad- A Not-So-Grand Jury

visers shifted their strategy away from categorical denials of any improper relationship with Ms. Lewinsky, some advisers stressed that one of the most difficult tasks confronting the president was to divulge an extramarital relation-ship to Mrs. Clinton.

In his televised address, the president said, "I misled people, including even

my wife. I deeply regret that."

Of all the speculation that has washed ton; however acrimonions, marks the over the capital in recent days, one questioo has provoked more conversation in the scandal, a turning point that within than others: What did the first lady know weeks will likely move the investigation about her husband's relationship with the former White House intern, Monica Lewinsky, and when did she know it?

Several friends of Mrs. Clinton said What is important, a Democratic con- they found it almost impossible in begressional source said, is "whether Start lieve that she was in the dark about her



#### Clinton Accused of 'Tortuous Interference'

WASHINGTON - Dolly Kyle Browning, a childhood friend of President Bill Clinton who has alleged they had an on-and-off affair over many years, has sued him and the New Yorker reporter Jane Mayer and her magazine. The charge isn't very sexy: tortuous interference with business opportunities," plus defamation.

The business opportunity was Ms.

Browning's plan to publish a semi-autobiographical novel, "Purposes of the Heart," about her alleged affair with Mr. Clinton, which the president denies. This was ruined, according to a suit filed Monday, after the reporter Dolly Kyle Browning, who is suing.

Company. the conservative Regnery after Ms. Browning gave a deposition in Paula Jones' suit against Mr. Clinton.

book "with a 10-foot pole," that it 'isn't particularly newsworthy" and that it is "far below our standards."

Ms. Browning is represented by Larry Klayman, whose group Judicial Watch has filed a raft of suits against the Clinton administration. The charges against the president

involve a well-publicized 1994 meeting with Ms. Browning at a high school reunion in Hot Springs, Arkansas.

Mr. Clinton wrote himself a memo saying he told Ms. Browning that her premise was untrue: "She said she would say it was a fantasy but she needed the money and she didn't care if it hurt me or the presidency." To comquoted Alfred Regnery as saying his plete the circle, that memo surfaced

reports that Mrs. Clinton had only ident has relied on her from the be-

WASHINGTON — To some legal specialists, members of Grand Jury 97-2 were significant participants in the historic testimony by President Bill Clinton, serving their role in the judicial

But to others, they were mere props — 'cardboard cut-outs,' 'as one expert put in a highly unusual legal drama. Unlike any grand jury whose work is aimed at deciding whether to indict a particular target, the grand jury investigating the president's relationship with onica Lewinsky is in an anomalous position: gathering evidence that, most likely, it will never be asked to vote on to consider whether it merits indictment. Instead, the information will probably simply be shipped to Congress for use in possible impeachment proceedings.

"The grand jury really will have nothing to say about this," said the Georgetown University law professor Paul Rothstein. "They are just sining there.

Another said, "Come on. She's the They could be cardboard cut-outs because In letters to both Mr. Clinton and Mr. nartest lawyer in town and the pres- they have no role." He added, "The Richardson, Senator Frank Murkowski, grand jurors lend an air of legitimacy to an investigation that is really fiction." Legal expens are divided on the ques-tion of whether it is constitutional to

indict a sitting president, and the in-dependent counsel, Kenneth Starr, has not ruled out the possibility of seeking an indictment. For the time being, he appears to have chosen the route of reporting to Congress. For that reason, said the Harvard Law School professor Laurence Tribe, "The solemnity and seriousness with which people sometimes invest in the business of testifying before a grand jury is somewhat misplaced when the grand jury is part of the landscape rather than part of the decision-making."

#### Richardson Cleared

WASHINGTON - A key Republican senator has cleared the U.S. chief delegate to the United Narions, Bill Richardson, of any attempt to mislead Congress in describing a job interview he gave to Ms. Lewinsky, and urged President Bill Clinton to swear in Mr. Richardson as secretary of energy.

Republican of Alaska and chairman of the Energy and Natural Resources Committee, said a bipartisan investigation had "found no basis to believe that Ambassador Richardson had misled the committee in any way.

During his July 22 confirmation hear-ing, Mr. Richardson told Mr. Murkowski that he interviewed Ms. Lewinsky in November 1997 and offered her a job to fill a staff opening in New York.
Although the full Senate subsequently confirmed Mr. Richardson, Mr. Murkowski asked Mr. Clinton to delay

the swearing-in while he investigated a Washington Times report that Mr. Richardson did not have a position to offer Ms. Lewinsky, had given her "special treatment" to get her a job and tried to cover up his actions when news broke of Ms. Lewinsky's alleged involvement with Mr. Clinton.

"We found no credible evidence" to support the Washington Times story, Mr. Murkowski said in a memo to comminee members. "To the contrary, we found clear and convincing evidence corroborating the ambassador's testi-

#### **Away From Politics**

 Mississippl put a former Ku Klux Klan leader, Samuel Bowers Jr., on trial for the fifth time. He is charged with ordering a firebornhing in 1966 that killed an African-American, Vernon Dahmer, who was helping people to register to vote.

· A New Jersey jury ordered the payment of back wages plus damages for emotional pain to a former state lawyer, Barbara Davis, who was sexually harassed by her supervisor, Richard Carley, in the state attorney general's office.

(AP)

• Ten people have died after getting prescriptions for Jethal medicines since Oregon's physicianassisted suicide law went into effect last November, state health officials said. The average age of the patients was 71. · A woman who was imprisoned without trial for refusing to pay child support, Maria Mannela Dickerson, was freed Monday in Rhode Island after

languishing behind bars, all but forgotten by the system, for 21/2 years. Doctors misunderstand in about one case out of four whether cardiological patients want to be resuscitated if their hearts stop, a study

 Levern Ward, convicted of killing his pregnant ex-girlfriend and two of her children and of cutting his nearly full-term son from the woman's womb, was sentenced in Wheaton, Illinois, to life in prison.

The baby survived. • An apparent domestic dispute led to an armed confrontation in Wilburton, Oklahoma. Sheriff Melvin Holly of Latimer County was wounded in the incident.

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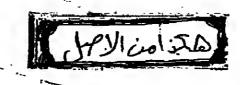
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THE WORLD'S DAILY NEWSPAPER



# Rural Muslim Guru's Appeal Worries Kuala Lumpur By Thomas Fuller Aziz's view of the world.



International Herald Tribune

KOTA BARU, Malaysia — A over the last few years. small, frail man emerges from the back seat of a metallic gray Mer- the Western workweek, Kelanta- in nearby Perlis state. hand. Meo sit on blocked-off roads ditioo. around the building where the old clustered on the fringes of the crowd.

sian state of Kelantan, he is known respectfully as Than Guru, the learned one. But to Malaysia's governing coalition he is Nik Aziz, a referring respectfully as the study Arabic as much as they preaches tolerance for all races. "I don't want people to a who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and ment, students in the who speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the speaks Azizhe and orient, and the coalities are the coalities and the coalities are the coalities and the coalities are learned one. But to Malaysia's governing coalioon he is Nik Aziz, a serious threat, a man whose pious Muslim views could prove attractive to voters as the couotry grapples with deepening economic turmoil — and whose party could whittle down the coalioon's overwhelming majority.

"I don't want people to ask, where the vote for passing the vote for momic crisis, by the same token, the state, one of poorest in the country, missed out on the boom.

What will we get if we vote for passing to the outside world and the crisis that it has brought.

A United Malaysia official with state, one of poorest in the country, missed out on the boom.

When Mr. Aziz's party came to power — just as the rest of Malaysia durbate and the crisis, by the same token, the state, one of poorest in the country, missed out on the boom.

When Mr. Aziz's party came to power — just as the rest of Malaysia was diversifying into high-end many be grandstanding. None-train offenses — but the law was suspended by the federal government as unconstitutional.

All of this clashes with the modern face of Islam that Prime Minister.

A United Malaysia official with that it has brought.

A United Malaysia official with state, one of poorest in the country, missed out on the boom.

When Mr. Aziz's party came to power — just as the rest of Malaysia was diversifying into high-end many to hear that it has brought.

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A United Malays official with state, one of poorest in the country, missed out on the boom.

When Mr. Aziz's party came to that it has brought.

A United Malays official with that it has brought.

A United Malays official with that it has brought.

A United Malaysia of the regional economic trains, by the same token, the it is possible to passible to passi coalidon's overwhelming majority. National elections must be called

say polls could come soon, before Malaysia's recession deepens.

Muslim scholar who is the chief minister of Kelantan, to become prime minister after the next general election. But Mr. Aziz's popularity lion is not Muslim.)

may force the governing party to shift a few notches toward Mr. the Pan-Malaysian Islamic Party, is supply of water.

We have good roads, 97 percent of our people have electricity and we have a steady supply of water.

cedes Benz and walks slowly past nese work Sundays and have Frisupporters who jostle to shake his days off, according to Islamic tra-

Since coming to power in 1990, man, an Islamic preacher, will de-liver his weekly sermon. Women are Muslim female employees to wear

em face of Islam that Prime Minister — and that leaders before our part considered necessary in a mul-strategy.

"Most of the basic needs for "Most of the basic needs for the part of the basic needs for No one expects Mr. Aziz, 67, a tiracial country where 40 percent of Muslim. (By contrast, just 5 percent of Kelantan's population of 1.3 mil-

alition. The party recently set off been victimized by speculation, and liament. "Aran was complacency," While the rest of Malaysia uses alarm bells by winning a by-election maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United maybe they took loans out from the said Annuar Musa, the highest United Musa, the highest

Voters appear to be attracted by Mr. Aziz himself and his simple white beard. He lives in a small, bead scarves in shops and mandated modest green bouse in a rural suburb rowd. separate supermarket checkout lines of the city. He is a Muslim scholar Here in the northeastern Malay- for women and men. Students in the who speaks Arabic and Urdu, and he

Mahathir bin Mohamad has es- the government's effort to endorse a declared Kelantan a food-based before April 2000, but many analysts poused during his 17 years in power more simple lifestyle as well as state. There are very few factories in - and that leaders before bim bave steady-as-she-goes development Kelantan, a stark contrast with

the population of 21 million is not Muslim. (By contrast, just 5 percent of Kelantan spopulation of 1.3 million is not Jusoh, a close aide. "We bave good

By contrast, he says, most Kelantan residents have not bor-

While Kelantan has missed the "I don't want people to ask, acute effects of the regional eco-

> neighboring Terengganu, which has giant perochemical processing fa-cilities and plastic factories.

Officials in the United Malays National Organization, the main com-Islamic party's victory in the by-elec-state later this month.

brace some of the Islamic rituals that have been made into law in the state over the last few years.

clear, and not only in Kelantan —

"The kind of people who have tion in the Arau district of Perlis state.

That victory gave the party a total of 8 been affected by the crisis were innot controlled by the governing coverthe last few years.

"The kind of people who have tion in the Arau district of Perlis state. That victory gave the party a total of 8 been affected by the crisis were innot controlled by the governing covertheless few years. bank that they can't repay," Mr. Malays official in Kelantan and a federal minister. "It was good as an early warning system."

There is a hinch in Mr. Aziz's

lifestyle. With loose fitting robes Kelantan residents have not borlifestyle. With loose fitting robes and a stooped profile, Mr. Aziz rowed heavily. He is proud to point looks like a Gandhi with a wispy out that it often takes three to five white beard. He lives in a small, years for Kelantanese to build a whole fit may be the party's Achilles white beard. He lives in a small, bouse. They continue building only heel: The state's finances are sufwhen they bave the money, rather fering with lower nimber sales this than take a loan out from the bank. hard officials try, Kelantan is linked to the outside world and the crisis

problems with timber revenues and said Kelantan may seek money from the federal government this year.

"Since coming to power nine years ago, we have never borrowed money from the federal govern-ment," Mr. Aziz said. "So maybe this time we will ask for a soft loan." Details of that loan could be worked ponent of the governing coalidon, Details of that loan could be worked play down the significance of the out when Mr. Mahathir visits the

## Scandal-Dogged Former Film Star Holds India Coalition Captive to Her Whims

By Barry Bearak

MADRAS, India - Among great melodramas about politically powerful women — the Evitas and Imeldas, the risen and fallen, the adored and despised — India these days offers Jayalalitha 27 votes made her Bharatiya Janata's ongoing public soap opera.

Jayaram, a former movie star whose fickle control over a 27-vote bloc in Parliament threatens to topple the five
Baratiya Janata has long declared ruthless woman, it's because life has turned me into someone like that.' Miss Jayaram, another Brahmin, into the All India Party as someticle.

Baratiya Janata has long declared ruthless woman, it's because life has turned me into someone like that.' Miss Jayaram, another Brahmin, into the All India Party as sometice.

Whether Mr. Ramachandran representation of the properties of the party of good governance, but its life that the party of good governance itself a party of good governance. month-old Hindu nationalist govern-

Notoriously imperious, clad in ornate capes, Jayalalitha, as she is known, was the chief minister of Tamii Nadu, a southern state, from 1991 to 1996, when sbe was voted out of office in disgrace.

Outlandish displays of sudden wealth gave credibility to allegations of cor-

Janata Party won 178 seats but needed to

woman preoccupied with the prospect of wouldn't have survived."

forge a coalition with 18 smaller parties mythic characters, whose loves and trito form a government. Miss Jayaram's umphs and humiliations have been an masses. Elected chief minister, he investigated Miss Jayaram and began

coalition with Miss Jayaram's party bas Jayaram recently told an Indian film left it vulnerable to the demands of a magazine. "If I badn't been tough, I

Educated in a conveot, she dreamed This past week, in what bas become a staple of Indian headlines. Miss ja-yaram, 50, threateood to abandou the coalition. She promised a major announcement but then delayed it, saying "appropriate decisions." Instead the actives at 13, pressed into the career by ber mother, berself an actress. "I hated every minute," Miss Jayaram once reflected.

Her political resurrection occurred after the national elections in February.

With no single political group any longer dominant in India.

an appropriate time.'

"Her urgent need is to get out of these teeoager, big-eyed with a dimpled smile, was chosen to appear opposite the mational elections in February.

Alternational elections in February.

The urgent need is to get out of these teeoager, big-eyed with a dimpled smile, was chosen to appear opposite the mational elections in February. was chosen to appear opposite the have joined Mr. Ramachandran on the swasbbuckling M.G. Ramachandran, common man's pantheon of beroes. longer dominant in India, regional film industry and who once was one of the biggest star in Tamil films. Together, She felt comfortable on a pedestal parties bave assumed extraordinary im- Miss Jayaram's closest friends. 'She the two appeared in 28 movies and, Plywood cutouts of her image, some of portance. Her state party, the All India wants to bring down the ceotral gov- though Mr. Ramachandran was married,

Anna Dravida Munetra Kazhagam, won 18 seats in Parliament and then, in an alliance, picked up nine more.

The Hindu nationalist Bharatiya Janata Party won 178 seats but needed to force a coalition with 18 smaller nation. The standard party won 178 seats but needed to force a coalition with 18 smaller nation. The standard party won 178 seats but needed to force a coalition with 18 smaller nation. The standard policial may be was a Brahmin, be was a Brahmin, but she doesn't realize that no matter who is at the center, they will not be kindly disposed to this. Jayalalitha is not so politically sharp."

Tamil mythology. Regiments of mounted the force as a Hindu goddess or the Virgin Mary.

One of her opponents was a Harvard-clause whose loves and triven the force a coalition with 18 smaller nation. The standard political may be was a Brahmin, be was a Chemical to the lower coates and area.

mained ber mentor until his death in 1987 is disputed. But whatever the truth,

Miss Jayaram tried to stake claim to Mr. attacks that might have ended my life."

Ramacbandran's political base. She After V.S. Chandralekha, a state of-Ramacbandran's political base. She failed and became depressed until she befriended Sasikala Natarajan, the wornan she has lived with off and on for a

With Miss Natarajan, once a maker of videos, as her chief adviser, Miss Jayaram was elected chief minister of Tamil Nadu in 1991, and she finally seemed to

brought Miss Jayaram, another Brah-min, into the All India Party as some-ruption to prosecutors here and in New

"She made a public statement that she would crusb me like a mosquito," Mr. Swamy said. "I must have escaped 12

ficial made a critical remark about Miss

married she gave him a spectacular wed-fidante has been speaking for her - Mr.

BRIEFLY

"This marriage was almost a con-fessional statement of her corruption," said Mr. Ramaswamy, the journalist. "It was her undoing. People were disgus-

But Tamil politics have long revolved around larger-than-life personalities, and disgust has a short shelf life in India. And now, in the world's largest democracy, with nuclear weapons at the ready and the rupee at a record low, the fate of the national government may well rest upon the whims of Miss Jayaram.

to a resser job. Nine days later, someone tossed a bottle of acid into her face.

The queenly chief minister seemed to be accumulating new wealth, and some began to call Miss Natarajan "the walking jewelry store."

Kecently, Bharatiya Janata emissaries have made pilgrimages to Miss Javanam's residence, trying to soothe her hurt feelings. Coincidentally, perhaps, a government official who has pursued tax cases against Miss Natarajan has been accommodated to the property of the control of the contr cases against Miss Natarajan has been

Miss Jayaram adopted a friend's. Miss Jayaram has refused all requests nephew as her "foster son." When he for interviews. Oddly enough, a new con-Plywood cutouts of her image, some of ding party. Entire avenues in central them 8 stories high, were placed in busy Madras were recast as scenes from brought corruption charges against her.

## Waters Threaten Northern China City

of this Chinese industrial center Tuesday after raging waters submerged tourist sites on a neighboring island.
The Songhua River washed over its

banks in Harbin and threatened to devastate the northeastern provincial capital of 9 million people, but soldiers and police built a 1.5-meter-high (5-foothigh) restraining wall.

fled low-lying areas of the city to camp in small tents by the roadside. With the Songhua at a record depth and rising. Harbin braced for potentially the worst flooding in 50 years.

As tens of thousands of people worked to protect Harbin, millions manning dikes along the Yangtze River in central China held their breath as floodwaters crested for the sixth time this summer. Embankments made higher by weeks of sandbagging contained the waters as the flood crest passed through areas wa-terlogged by rain and flooding, state Seasonal rains that began earlier and

fell heavier than usual have produced the worst flooding on the Yangtze in 44 years. More than 2,000 people have died nadonwide in the flooding and millions have been made homeless.

China Central Television showed footage of medical teams examining necting it to the city peaking above the flood victims, distributing medicines waters. Soldiers evacuated more than igh) restraining wall.

People fearing more torrential rains and putting purification chemicals in vats of drinking water.

The Communist Party's No. 2 and No.

3 leaders, Li Peng, the legislative chairman, and Zhu Rongji, the prime minister, telephoned officials in northeastern Jilin Province to make sure they were prepared for more flooding, the Xinhua news agency said. In Jilin, 155,000 people were evac-

uated last week from Tongyu county in that destroyed two rail lines, Xinhua

neighboring Heilongjiang million people of Daqing.

the Associated Press media reported. Officials apparently put Province, floodwaters have already struggled to keep a rain-swollen river out of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con of this Chinese industrial apparently for the same washed over roads and rail lines con on the necting Harbin with Daqing, a city ser-vicing the largest oil field in China. At the field, floods have inundated 1,391 wells, and production has been halted at an additional 280, the official China

Daily reported.

The Songhua rolled over Sun Island near Harbin, leaving just the bridge con-700 families and 52 businesses from the island, famed for a winter fesoval of ice sculptures and sports. Also moved were 52 Siberian tigers from a breeding center on the island.

More than 270,000 soldiers, oil workers and other civilians were working night and day to prevent the Nen River from overwhelming the Daqing oil fields. The Nen punched a 50-meterwide bole in one embankment Monday, flooding on tributaries of the Nen River and soldiers worked to repair it and build up another dike that would be the final defense for the oil field and the 2.3

#### **Burma Rulers Meet Opposition**

RANGOON - Senior members of Burma's military government and an opposition leader met for the first time in more than a year Tuesday while the dissident leader Daw Aung San Suu Kyi kept up a weeklong roadside protest.
The head of Burma's military intelligence arm, Lieutenant General Khin Nyunt, met U Aung Shwe, the

chairman of the opposition National League for De-mocracy, or NLD, for 45 minutes in the afternoon, government officials said. 'We hope that this is the first in a series of confidence-

building talks between the government and the NLD," a rowing into a mountainside near Yongbyon, the site of a government statement quoted General Khin Nyunt as say-

#### Prostitution Flourishes in Asia

GENEVA — Prostitution in Southeast Asia has bur- For the Record geoned so rapidly that it is now one of the region's big employers and money-earners, a UN report to be published

Commercial sex is crucial to the livelihoods of millions of workers beyond the prostitutes themselves and provides governments with substantial revenue, the 232-page International Labor Organization study says.

Albright Warns Taleban on Aid to Terrorists

It accounts for 2 percent to 14 percent of gross domestic product in Indonesia, Malaysia, the Philippines and Thaiand, the report says.

#### U.S. Shows Korea Spy Photos

SEOUL - The United States has shown South Korea spy satellite photos of a huge North Korean underground complex that could be used as the heart of a nuclear weapons program, the South Korean Foreign Ministry said Tues-

The satellite photos showed thousands of workers burnuclear plant that had been mothballed under a 1994 accord. said Lee Ho Jin, the Foreign Ministry spokesman.
"We have been briefed by the intelligence community of

the United States," Mr. Lee said.

The leader of the New Zealand First party, Winston Peters, said Tuesday that his party was withdrawing fromthe center-right coalition government, leaving Prime Min-ister Jenny Shipley with a minority government. But Mrs. Shipley appears safe for now, with 62 votes in the 120-member Parliament. (Reuters)

#### INTERNATIONAL

#### BRIEFLY

#### Warsaw to Take Steps To Remove Crosses

WARSAW — Seeking to eod a controversy that has touched the painful memory of the Holocaust, the Polish government and Transport ernment said Tuesday it would terminate a lease for property where a coouroversial cross stands near Anschwitz.

The cross has sparked a dispute between Poland and Israel, inspiring conservative Roman Catholics to erect dozens more smaller crosses on the same site to protest efforts by Jewish groups to have the original, larger cross removed.

Tuesday's announcement indicated the Polish government wants to take control of the land from a war victims' association to gain more leverage in seeking a compro-domeo. It was the third time he had been mise acceptable to Jewish groups and the bospitalized in three years. Catholic Church, which has urged that the crosses be removed and which is a major crosses be removed and which is a major Mexico City Has a Plan

#### 2 Headless Bodies Dumped in Algeria

ALGIERS - The decapitated bodies of Had Sahari in southern Algeria after they were abducted and murdered by an armed gang, the Al Khabar daily reported Tues-

day.
The gang took the men's heads but

dumped their bodies on the roadside in the early bours of Monday morning, the news-

RIYADH — King Fahd of Saudi Arabia left the hospital Monday evening to convalesce after having uodergooe an oper-ation to remove his gallbladder, the royal

The king, almost 80 years old, was also "successfully" treated for an inflammation of the intestine after being admitted to King Faisal hospital in Riyadh on Aug. 2, the statement said.

His gallbladder was removed on Wednesday in the second operation in 10 days after he bad pus removed from his ab-

MEXICO CITY - Mexico City, where one in five residents has been a crime victim this year, bas launched a \$25 million program to fight lawbreakers and reform the city's notoriously corrupt police force.

Mayor Cuaubtemoc Cardenas and Intwo men were dumped on the roadside in terior Minister Francisco Labastida, both seen as potential presidential candidates in 2000, signed a pact setting up an anti-crime fund for new information systems, prison reform and "professionalization" of the

#### By Thomas W. Lippman Washington Post Service

NAIROB1 - Secretary of State Madeleine Albright signaled the Taleban Islamic movement in Afghanistan on Tuesday that it would improve prospects for U.S. recogninon and acceptance by the United Nations if it stopped giving shelter to known or suspected terrorists.

In a grueling, emotional day of touring the bomb-devastated U.S. embassies here and in Tanzania, and saying "very sorry" to the many Afpeatedly denounced the bombings as murder.

She promised her bosts countries that the United States would stand by them.

Mrs. Albright refused to comment on the status of the investigation into the coordinated Aug. 7 explosions to attacking U.S. targets. that destroyed the two U.S. embassies and killed more than 250 people, including 12 Americans.

civilized people." "Whatever the connection to gbanistan. I bave pointed out that this." she added. "I have said previously that his funding of terrorist areas." gbanistan. I bave pointed out that activious is something that the world has been quite aware of." Mr. bin Laden, widely suspected of having sponsored the bombs that

Laden, were "inimical to those of

under Taleban proteccion. The Taleban, an organization of ments.' rigidly conservative Muslims who

from most schools and jobs, have won themes as she visited the ruined emcontrol over most of Afghanistan. They have imposed their vision of Islam on Afghanistan's people, prompting Mrs. Albright to brand the spurious.

movement as "despicable" because of its treatment of women. Washingtoo has refused to recogrican victims, Mrs. Albright re- nize the group as the legitimate government of Afghanistan.

But now the group may have some bargaining power with the United States because it controls access to Mr. bin Laden and his militantly and-American followers, some of whom

The Taleban is a faction, which we are not recognizing," the sec-retary of state sald at a brief news But she stressed that the activities conference in Dar es Salaam, Tanof a renegade Saudi, Osama bin zania, before flying here. "We believe there needs to be a broad-based government in Af-

> She indicated that this included tolerance of narcotics trafficking. "Frankly," Mrs. Albright added,

"I think that a way for them to show

ate, and not harbor terrorist ele-The Taleban and Mr. bin Laden

practice a sort of pre-industrial ver-sion of Islam and have banned women Islam, but one of Mrs. Albright's bassy sites and met with the staffs was her belief that invoking religious mo-tivation for the anti-U.S. attacks was "Terror is not a form of political

expression and certainly oot a manifestation of religious faith," she said. "It is murder, plain and simple, and those who perpetrate it, finance it and otherwise support it must be opposed by all decent people." On a blackened fragment of wall next to the crater left by the bomb in

Tanzania, she hung a poster showing a victim of the Nairobi embassy disaster heing pulled from the rubble and proclaiming, "This is not politics, this is not religion. This is murder." The poster offers a reward of up to \$2 million for information leading to the arrest and conviction of the con-

bundles of the posters; in English and Swahili. The secretary of state's trip was an effort to show solidarity with the embassy staffs, sympathy for victims and also support for Kenya and Tanzania as they try to recover from the damages and loss of life.

spirators. Mrs. Albright brought thick

ripped through the two embassies, is that they wish to be part of the in-believed to be living in Afghanistan ternational community is to cooper-the U.S. Foreign Service who, she said, were but doing their jobs in very difficult circumstances. The bombings have disrupted op-

> ment, including Mr. Albright's own At a hospital here, she greeted Barnabas Okwogo, 41, badly cut in

erations throughout the State Depart-

the blast, by saying, "Pole sana" — Swahili for "Very sorry." That, she said, was her message to the people of Kenya. 'Very sorry' for the deaths, the injuries, the suffering of families, the economic loss and a widespread sense that American security and rescue teams had cared more about U.S. personnel than about

local victims. Addressing the Kenyans in a speech broadcast on television from the rubble-strewn embassy site, Mrs. Albright declared:

"I cannot say we acted perfectly, but I believe allegations of callous ness are wrong. In the circumstances, amid the horror, the fear and the different jobs that had to be done, it's not surprising that there were misunderstandings.

She said that armed U.S. Marines at the embassy, who kept anguished Kenyans out of the blast zone, did so out of concern for their safety amid falling rubble and fears of a second explosion - "not indifference to their anxiety."

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#### **EUROPE**

# 2 Sides in Kosovo Refuse to Sit Down to Talks

PRISTINA, Yugoslavia — Ethnic Albanian negotiators refused to meet their Serbian counterparts Tuesday for talks on the future of Kosovo, despite intense efforts by U.S. diplomats to bring the two sides together.

The American diplomatic initiative was led by Christopher Hill, the ambassador to Macedonia, who first met with the designated Albanian negotiators and then conferred separately with Ibrahim Rugova, the pacifist

leader despised by the Kosovo rebels. After meeting the Albanian leaders, Mr. Hill conceded to reporters that no immediate progress had been made. But he vowed that foreign powers would "stay at it and we're going to stay at it until we suc-

Mr. Hill, who has been shuttling between leaders on both sides, reiterated that neither side should count on achieving anything by force.

But while there were no new reports of fighting between rebel ethnic Albanians and Serbian security

forces, the two sides made it clear that they were no closer to sitting down the called the Kosovo ethnic-cleans-

Fehmi Agani, coordinator of the negotiating team appointed last week by Mr. Rngova, said an offer by the chief Serbian negotiator, Deputy Prime Minister Ratko Markovic, had

been "timed for propaganda."
Mr. Agani said he had written to Mr. Markovic that talks should continne as soon as possible, but only after "an end to violence over the Albanian civilian population and to military and police repression."

Even if and when the two sides meet, prospects for a negotiated resolution are dim The negotiations are being boy-

cotted by ethnic Albanian opposition parties and the Kosovo Liberation Army, which is fighting for independence of the Serbian for owner, where Albanians account for 90 percent of the population of 2 million. Kosovo is in Serbia, the dominant Yngoslav republic.

ing policy of President Slobodan Milosevic of Yugoslavia was hampering the start of negotiations.

He renewed Tirana's call for international intervention in the

"There is no clear prospect for the start of the talks because of the policy of ethnie cleansing followed by Milosevic and the Serb troops' military offensive against Albanians in Kosovo," Mr. Milo said.

The development of events there until now, and the Bosnia experience, show that the international community should start dynamic action on the ground to achieve dialogue," he

NATO forces began a six-day mil-itary exercise in Albania on Monday, and alliance officers said it was designed in part to show belligerents in the region that "NATO is ready."

'NATO has a wide range of conngoslav republic. tingencies and options ranging from Foreign Minister Paskal Milo of peace support to combat opera-

tions," said Admiral Joe Lopez, the U.S. commander of alliance forces in southern Europe.

Serbian authorities have not directly commented on the NATO exercises, but reporters in Kosovo said they noticed a marked increase in overflights by Yngoslav Air Force jets, counting about a half-dozen such flights in the morning alone.

More than 500 people have been killed and an estimated 200,000 about 10 percent of the province's population - displaced in six months of violence in the southernmost Serbian province.

Relief agencies have warned of a looming humanitarian crisis in Kosovo unless people return to their omes and farms before the onset of cold weather in about two months.

A four-week-long Serbian offensive seemed to have attained most of its objectives over the weekend when the western hill town of Junik, a key logistic and arms-running base of the



#### BRIEFLY

#### Albanian Slain During Shoot-Out in France

MULHOUSE, France — An Albanian national was killed and two French customs officers and another Albanian were wounded in a shoot-out on a Brussels-Rome night train near Mulhouse, eastern France, paramedics said Tuesday.

The shooting occurred during a routine customs check when the train was headed for Basel, Switzerland, the rescue workers

#### Bomb Injures Owner of Nightclub in Cyprus

LIMASSOL, Cyprus — A bomb exploded outside a nightclub in this coastal resort, seriously wounding the owner in what police say they fear is the latest out-

break of gangland violence on the island. Charlambos Neoptolemou, 29, was injured hy the bomb late Monday night in an attack the police linked was part of an escalating struggle between underworld gangs to control gambling, prostitution and The explosion was the third suspected gangland attack on the Mediterranean island in less than three weeks.

#### Hospitalized Politician Out of Danger in Spain Hitler Painting Found

CORDOVA, Spain — Julio Anguita, a communist leader, was out of danger Tuesday after being hospitalized for a beart VALENCIA, Spain — A painting attack a hospital account of the communist leader, was out of danger Tuesday after being hospitalized for a beart vALENCIA, Spain — A painting attack, a hospital source said.

The 57-year-old leader of the left-leaning Izquierda Unida, Spain's third-largest political group, was expected to leave Queen Sofia Hospital on Friday after being

Mr. Anguita, who is also secretary-gen- (\$26,600).

eral of the Spanish Communist Party, retired temporarily from politics after a heart attack in 1993. (AP)

#### Greek Court Releases Exhibitionist Tourists

ATHENS - Authorities released four British tourist who had been jailed for baring their buttocks in front of one of the wonders of ancient Greece, a judicial of-

ficial said Tuesday.

A court on the island of Crete had jailed the tourists, all in their 20s, for seven to 10 months Friday after ruling that they had caused a scandal by stripping in front of the throne of Minos at Knossos. But an appeal court freed the four Monday after they paid fines of 200,000 drachmas (\$660) and said they were sorry.

#### Ukraine Police Destroy 2 Fields of Marijuana

KIEV— Ukrainian police destroyed a field of 2,000 marijuana plants in the eastem Donetsk region, a newspaper reported

Police discovered the field after destroying 10,000 marijuana plants growing about 30 kilometers (19 miles) away, the daily Fakty said. (AP)

VALENCIA, Spain — A painting attributed to Adolf Hitler that was stolen in this eastern Spanish city 16 months ago was

found Monday, the police said.
"Woman in Blue" was found in a vehicle along with two other paintings. Their total estimated value is 4 million pesetas

## Neglect Charged in UN Jail Death of Bosnian Serb

By Marlise Simons New York Times Service

PARIS - A Bosnian Serb who died this month in a cell while being crimes tribunal in The Hague died of internal hleeding because he did not receive proper medical care, his lawyer said.

The lawyer, Dusan Vncicevic, said the tribunal was guilty of negligence and of causing the "wrongful death" of his client. He said he would demand that it pay damages to his client's family in Bosnia.

His client, Milan Kovacevic, a former politician and medical doctor in Prijedor, Bosnia, died Aug. 1 at 57 of what the tribunal called a heart

attack. Mr. Vucicevic is a Serbian- and gave him a painkiller instead of earlier, a cardiologist and psychiat-American who practices law in rushing him to a nearby hospital.

Chicago and is also a physician who The autopsy report has not be attended his client's autopsy. In a telephone interview from his office, he contended that Mr. Kovacevic had died not of a heart attack but of abdominal hleeding because of errors by the prison staff.

He said other inmates reported that in the hours before Mr. Kovacevic died, the prison guards initially ignored his cries of pain and calls hy other prisoners, who had been awakened and alarmed by his

When the prison doctor arrived an hour later, the lawyer contends, the doctor misdiagnosed Mr. Kovacevic's crisis as a kidney problem

The autopsy report has not been released, and the tribunal's press office has declined to answer further questions, saying it must swait the outcome of an internal investigation. The prison authorities also decline

The trihunal prison, just outside The Hague, is a separate cell block on the grounds of a Dutch prison. It is run hy a warden and guards appointed hy the United Nations. The prison provides basic services like meals

and medical care The death of Mr. Kovacevic was a shock to the tribunal. Although he had high blnod pressure and had

rists deemed him fit for trial. He was seized by NATO troops

and his case was important as a precedent in other trials. The trial opened July 6. Among other charges, Mr. Kovacevic was

accused of complicity in genocide because of his role in 1992 in helping organize detention camps near Prijedor, in which many Muslim inmates were tortured and killed, With his death, that case has been

closed. On Aug. 1, about six hours after Mr. Kovacevic died, the tribunal spokesman, Christian Chartier, said he had died of a "massive heart at-

The death certificate said only that

#### French Mayor Digs In to Fight Problem of Gypsies Balland opted for trench war- offending the Gypsies. "I'm meeting to work on the prob- Gypsies in their caravans of

By Charles Trueheart

TONNOY, France - For the 28 years he has been mayor of this pleasant village on the banks of the Moselle River, Claude Balland has watched Gypsies come and ation facilities and occasionally private property. He has listened to the complaints of the 650 townspeople, and

vehicles appeared Ang. 9 and grim meaning.

settled on their customary piece of land by the river, Mr. its intended effects, including process appeared Ang. 9 and grim meaning.

newspapers, but it also settled peoples for a millenship piece of land by the river, Mr. its intended effects, including process appeared Ang. 9 and grim meaning.

newspapers, but it also settled peoples for a millenship piece of land by the river, Mr. its intended effects, including process appeared to the people has been vexing to people has been vexing to

fare. Two days later a back- 63 years old and I've been all lem. hoe arrived and proceeded to over France and ontside it, gouge a meter-deep ditch and it's the first time I've seen along the front and side of the anything like this," said

Gypsy encampment.
The Gypsies still had two places of ingress and egress, and free access to water and Gypsies go, helping them-selves to land, water, sanit-across the road, despite their presence on what Mr. Balland says is private property and they say is not. But the mayor's gesture

likewise to the assurances of was not about restricting

Henri Lagrene, a Gypsy and an evangelical pastor to whom the camp dwellers de-ferred for comment. "The

mayor is a racist, he's not Catholic at all." Mr. Balland said. a little mayor, but when I do a bold stroke like that it gets the attention of the powers that be. It brought the TV cam-

the existing law, which al- barbecues, ontdoor furniture, lows Gypsies the right to use satellite dishes and cellular public land for np to eight days and charges local communities with providing them with water and sanitation, noy campground just across after listening to local com-"I munities that have to deal wanted to rap on the table. I'm with this largely exurban social problem.

of its 300 unwanted visitors, rom the problem.

Last week, Mr. Balland got fed up. When about 60 Gypsy vehicles appeared Ang. 9 and settled on their customers.

Crude, symbolism in a bateras. It brought you.'

Europe, this benighted, fragtime is small in telling. Across Europe, this benighted, fragtime in the problem.

Europe, this benighted, fragtime is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the problem is small in telling. Across the factor of the fact is small hat telling. Across

fleeing persecution, such as skinhead attacks, have miup in Canada and Britain, prompting the Czech presihis people on tolerance. unfixed people.

Gypsies in Germany are What is more protesting their designation as such in official records. In Longuyon, a hamlet near Tonnoy, the mayor shnt down the municipal pool for the

duration of a visit by another Today, the Gypsies speak the language of polinical rights conventions, are conversant with their rights under French law versus German a problem not of immigration but of continuous migration

These are not storybook Their prose was so exact and pure Gypsies, rattling tambour-and their expression of faith so se-ines, living in colorful children. Today's European they go.

trucks, huses and trailers look Mr. Balland hopes the gov-ernment in Paris will rewrite campers, circa 1965. Their phones make them virtually indistinguishable from the vacationers in the legal Ton-

the mayor's hig ditch and the

"They have a love of liberty," said Daniel Maun-Toonoy's plight, and that oury, a housing activist working with Gypsies near Paris. "They don't want to negoselves don't fit."

The Gypsies are a presence on the margins of national life . in every European country. grated out of Slovakia and the The UN High Commissioner Czech Republic and turned for Refugees says they num-The UN High Commissioner ber eight million in Europe. although statistics are unredent, Vaclay Havel, to lecture liable for such unregistered,

What is more certain is that they are "the outcasts among the outcasts," as the Roman Catholic prelate Jacques Gaillot said last week.

As such, Gypsies are challenging modern societies, for which a fixed address is the bare minimum qualification for delivering social services, education, and public housing, to deal with a small, impoverished and impermanent diaspora that defies all definitions of citizenship.

Their public support is slender, even after suffering the extermination of an estimated 500,000 of their number at the hands of the Nazis before and during World War II. They still are viewed with

## Julian Green, Prolific and Idiosyncratic Novelist, Dies at 97

By Richard E. Nicholls

Julian Green, 97, the prolific and highly idiosyncratic novelist, playwright and memoirist who was the first American elected to the Academie Française, France's gallery of 40 literary luminaries, died last Thursday in Paris. Mr. Green, who had his first nov-

el published in 1927, is believed to have had the longest career of any major 20th-century writer. His life was distinguished, and m a great extent defined, hy startling con-trasts and contradictions. Born in Paris on Sept. 6, 1900, of American parents, he was fascin-

ated by his ancestors but visited the United States infrequently, spending most of his life in France. All hut a few of his books were written in French, and he came to be regarded as one of the preeminent stylists in the language, on a level with Paul Valery, Marcel Proust and Andre Gide.

He was one of the few modern writers to have his collected works published in Gallimard's Pleiade library during his lifetime. His books consistently received substantial attention in France, yet only intermittent, modest coverage in the

Mr. Green balanced a native reti-



Julian Green in 1991.

licly explore his psyche, to chart his long, deeply tormented struggle to master physical desire and submit to faith, eventually publishing 14 volumes of his journals as well as five frank volumes of memoirs. (He and Gide, longtime friends, traded diaries so that they could read what each had said of the other.) He was both a devout Roman Catholic and a homosexual.

Few writers' lives have spanned so long or turbulent a period, or been as productive. And no modern writer has charted, with more ingenuity or energy, in more diverse

ways, the weird landscape of erotic Green began writing novels, includ-obsession, the corrosive effects of ing "Avarice House" and "Adrepression or the struggle to achieve faith in a disbelieving age.

Mr. Green remained a courtly,

screne eminence into his 90s, writing, giving interviews and still vis-Mr. Green was the youngest of

seven children. His parents were from long-established Southern families, and be recollected in a 1991 interview that when his father was sent to Europe in 1895 by an American firm, his mother, given the choice between Germany and France, had decided that they should live in Paris because "the French had been defeated in 1870 and would understand the Southerners.'

His father's snccess as a husinessman provided the family with a life of privilege in a well-to-do

neighborhood of Paris. Mr. Green converted to Roman Catholicism in 1914. During the early years of World War I, be followed France's struggle with fervor. Impatient to serve, he joined the Red Cross in 1917 and drove an ambulance on the Italian front.

He eventually talked his way inm a French artillery regiment and was a member of the Allied occupation force in Germany. Discharged in 1919, he enrolled in the University

Back in Paris in the '20s, Mr.

rienne Mesurat," which won the Femina Prize in France in 1927. "Dark Journey" (1929) traces the complex aftermath of a violent as-

sault on a young woman by a frustrated lover. During the 1930s Mr. Green studied Buddhism, and his novels became more fantastic. He and Gide developed a strong, if guarded, friendship. Gide described him as

having "a somber genius." As war approached, Mr. Green left Paris in 1940 and settled in America. He prepared radio programs in French for the Allies, and taught

writing at several universities, including Princeton and Harvard. Mr. Green's output picked up when he returned to France after the war. But while his novels remained somber studies of romantic excess, often dwelling on sexual obsessions, they began to exhibit a more direct emphasis on faith. "Moira" (1950) and "Each Man in His Darkness"

(1960) are generally considered his most accomplished novels. In "Moira" a young man rapes and then murders a girl; in 'Each Man in His Darkness' a man struggling to suppress his homosexuality is drawn into a series of increasingly torinented relationships before being murdered by a would-be

with him. But both novels conclude with subtle suggestions of redemption and of the power of faith to obstruct the terrible mechanism of destiny," in Mr. Green's words. In 1953, Mr. Green's first play,

'South," was produced in Paris. More followed, and he diversified flock of Gypsies. further by writing several screen-Mr. Green had issued the first asylum and Geneva human

volume drawn from his "Journals" in 1938 (he had begun keeping a daily journal in 1926, setting down not only his meditations on faith law, and have attracted sig-and the flesh but musings on literature and art and recollections of his family and friends). In the 1940s and '50s, additional and statelessness. volumes appeared with regularity.

rene and deeply contemplative that covered wagons, stealing loathing and fear wherever some critics compared them favorably to Pascal's "Pensées." In 1971 Mr. Green was elected to the Academie Francaise, becoming

its first foreign member. Mr. Green never ceased writing His work eventually included 18 novels, "Journals," memoirs, 5 plays, 6 collections of essays and 2

works of history. It was not that he was prolific, he told an interviewer, it was just that ''l am very old.'' He is survived by his son, Jean-

#### cence with a profound need to pub-4 Mathematicians Win Awards At World Conference in Berlin

Agence France-Presse BERLIN - Two Britons, a Russian and an American won prestigious Fields prizes, the mathematics equiv-

alent of the Nobel Prize, at a conference here Tuesday. The \$31,000 awards went to two British mathematicians, Richard Ewen Borchers for his work in geometry and algebra, and William Timothy Gowers for his function analysis; to a Russian mathematician, Maxim Konzewitsch, for work in theoretical physics, and to an American mathematician, Curtis McMullen, for work in

The international conference, which opened Tuesday, brings together 3,500 mathematicians from 96 countries to discuss developments in the field. It is considered the largest gathering of mathematicians worldwide.

An American mathematician, Peter Shor, won the Nevanlinna prize for a type of computer work that helps in processing large amounts of data.

## Pages From Anne Frank's Diary Found

AMSTERDAM — Five missing pages of Anne Frank's famed diary have been located, scholars of World War II

said Tuesday. The handwritten pages, in which the young Jewish diarist hiding from the Nazis harshly describes her parents' marriage, were found in the possession of a former employee of the Anne Frank Foundation. Researchers didn't even know they were missing.

The foundation and the Netherlands

State Institute for War Documentation

return and have hired a lawyer. Once

recovered, the pages will be included in

the next edition of "The Diary of Anne

Frank," the institute said.

"We thought we had a complete edi-non. Now this pops up," said a be-wildered David Barnouw, a spokesman for the war documentation sgency and an editor of an unabridged version of the

The man now holding the pages recently told researchers that Anne's father, Otto Frank, gave them to him shortly before his death in 1980. The man's name was not released, and there was no indication he had done anything

Even so, "it is highly improbable that Otto Frank made a gift of this original have issued a joint demand for their mannscript to this former employee," the documentation agency said.

Rather, he may have just handed him the pages to prevent the contents books and even a Broadway musical.

Scholars have said that Mr. Frank was careful to withhold pages dealing with his marriage, wishing to keep some as-pects of the family's life private.

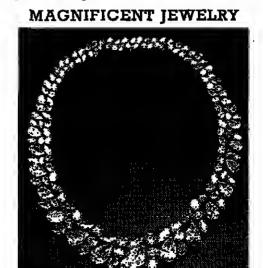
Mr. Barnouw said he couldn't rule out the possibility that still more pages might be missing from the diary, which Anne had begun rewriting on loose sheets of paper that easily could have been lost or confiscated.

A modern literary classic that has been translated into more than 50 languages and is required reading in schools worldwide, the diary was first published in 1947 by Mr. Frank, the only member of the family to survive the war, and since has become the subject of films,

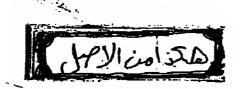
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#### **EDITORLALS/OPINION**

#### **Clinton Falls Short**

If a grudging admission of sexual indiscretion with Monica Lewinsky and another angry attack on Kenneth Starr could end the crisis in his pres-idency, then Bill Clinton finished his five-minute address to the nation Monday night in good shape.

But, by our lights, Mr. Clinton let slip a vital chance to give a healing report to the nation and to begin the task of rehabilitating his character in the eyes of the public. Instead he went for the time-tested blend of minimal confession and contained tantrum that got him elected twice, but will not make him a leader who will be missed once he leaves Washington.

By his lawyer's account, Mr. Clinton used another vintage technique during his four hours of grand jury testimony, refusing to answer questions that did not snit him. The outcome is hardly satisfactory for those who had hoped that he would meet this challenge in a less characteristic way.

What the nation got instead was another blast of the familiar dichotomous blarney. His touching admission of lying to his wife was coupled with the insulting contention that his earlier denial, under oath, of a sexual relationship was "legally accurate."

What an opportunity was wasted Monday night for Mr. Clinton to shed the wearisome burden of all those ever changing accounts of personal behavior that have characterized his political career for so many years. But from the moment the 42d president walked into the Map Room be was in a confrootation with a force far more insidious than Kenneth Starr, the independent counsel.

In that hallowed room, Mr. Clinton was also confronting the habit that has driven - and haunted - his political career in an almost addictive way. His habit of stonewalling, of misleading by omission or concealment or fabrication or failure of memory has been the source of virtually all this administratico's troubles.

For the past seven months the stonewall has crumbled faster than Mr. Clinton, his wife and his lawyer, David Kendall, could patch it.

The full truth is a potent weapon hut it is not one that Mr. Clinton is used to handling, even in the most personal settings. There were many reports on Monday that he had sent Hillary Rodham Clinton out to bash his critics as political conspirators without telling her the facts of the Lewinsky situation. Some White House staff members who had believed him felt betrayed by the

flood of inoculating leaks last Friday. We do not yet know what rendition of the truth Mr. Clinton spoke in more than five hours with the grand jury. For that reason, only he knows at this moment whether he can climb out of this mess hy grasping the lifeline that Sen-ator Orrin Hatch, Republican of Utah, has repeatedly thrown him. Mr. Hatch, chairman of the Indiciary Committee, was insulted by the attack on Mr. Starr, but he still seemed willing to help Mr. Clinton, provided that no evidence of serious illegalities emerges and, in his view, "that's a big if."

Indeed it is, for the American people as well as for Congress. That brings us again to something only Mr. Clinton knows to a moral certainty about what did and did not happen. If be conspired with Ms. Lewinsky to testify falsely or if he had others seek employment for her toward the same end, then Mr. Clinton went into his meeting on Monday as a man who could probably not break free of his worst impulses, even if be could summon the courage. When perjury enters the picture, the truth that might have been his salvation becomes

This is an odd moment in American political history, but not a frivolous one. Here was a man of compassionate impulse and lofty ambition who went to Washington with virtually every imaginable political skill except one. He seemed to think he was immune from a rule that leaps out from any reading of modern presidencies: Everything comes out sooner or later.

Eventually, all the details of what he said on Monday will begin coming out. In these first moments, we are getting a few pieces in the jigsaw picture of this presidency. Mr. Clinton could have shaped that process by speaking fully and from his heart. He chose not to, but he cannot stop the process of revelation in which he participated on Monday. By and hy, we will see entire the lineaments of his fate and his standing among the presidents.

It can oever be what he and the nation boped, for he long ago chose to manipulate the narrative of his political life in such a way that it was necessary for him to remember everything he said along the way.

What we will know in time, of course, is whether he has so falsified his conversation with the American people that he could not, even in the bour of his greatest peril and through the simple agency of truth, position himself to receive their forgiveness. -THE NEW YORK TIMES.

#### **Down Goes the Ruble**

Russia's dramatic actions on Monday, allowing the value of the ruhle to fall and declaring a moratorium on some government debt, reversed a pledge that President Boris Yeltsin and his government had issued as recently as Friday. It threatens one of the few clear-cut accomplishments of his mixed record, which was to get inflation under control. It raises questions also about the West's strategy for aiding Russia, including the \$22.6 hillion rescue effort that Washington pushed through only four weeks ago.

The latest development is not so much a failure of policy as an ac-knowledgment of failure that had become already clear. Russia's government was spending more than it could afford to defend the value of the ruble against those, Russians and foreigners alike, who had lost faith in the stewardship of Russia's economy.

The floundering economy pushed President Yeltsin into a corner, and this was his response.

Russian officials blamed external factors for this state of affairs. The financial meltdown in Asia scared investors away from all emerging markets, including Russia's. It also lowered the worldwide demand for oil and gas, which depressed the price of those commodities, which burt Russia

as a major oil and gas exporter. But these twin blows would have had far less impact were it not for Russia's internal troubles. Despite Mr. Yeltsin's appointment this spring of reformers to run his government, there was no consensus within Russian society on the desirability of a speedy transition to the free market. A majority in Russia's Parliament remained opposed or suspicious.

So Russia remained frozen in midtransition, without adequate legislation or enforcement in crucial areas such as property rights, bankruptcy law, an in-

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dependent judiciary, corporate gov-

ernance and more. In countries that leaped quickly from communism to a free market, such as Poland or Estonia, economic growth picked upearly. Countries such as Russia and Ukraine, which jumped only part way, have been mired in corruption and stagnation.

Russia's shrinking economy has provided neither enough jobs 10 support the population our enough tax revenue to support the government, pay the army, etc. The country has had to borrow more and more to make up the difference. The recent \$22.6 hillion loan package was only the latest in that pattern, and its failure to bolster confidence showed that investors did not believe that more borrowing could solve Russia's problems.

The question is whether this partial devaluation and default can belp any more. On the one hand, the new policy buys some time for the government, which will find it easier to repay rubledenominated credits. It helps oil ty-coons, who can sell their product for dollars that are now worth more at home. It may not hurt ordinary Russians as much as was predicted, since many remain relatively unconnected to the global market and others hold their

savings in dollars already. But this 180-degree reversal certainly will not inspire confidence among for-eign investors, and there is a real risk that it could spark runaway inflation and that the government will not be able to defend its new announced level of ruhle value. What is needed to forestall those worst-case outcomes is substantial progress on structural reform in fiscal management, the tax code, landowners' rights and bank soundness. Unfortunately, those were the same reforms that were obviously needed last week, and the week before.

-THE WASHINGTON POST.

## It's Time for the Clinton Presidency to Get Going

WASHINGTON — It is now clear that President Bill Clinton looked the American people in the eye last January and lied. On Monday he acknowledged the inappropriate relationship with Monica Lewinsky that he earlier denied. He has betrayed his fam-

ily, his party and his country.

But we Americans now have three stark choices: Impeach him, forgive him or limp along with him, berating him at every step and never allowing anyone to forget what he did.

There is no stomach in the country for impeachment. There is too much at stake for the country to limp along for two more years. It is time to forgive oot for his sake, but for ours, not because his affairs are unimportant, but

because ours are more important. It is time oow for the first Demo-cratic president since FDR to be elected for a second term to actually begin his second term. That means that Mr. Clinton has to give up this crazy notion that his primary political role is to be Al Gore's campaign manager for the year 2000 election, and to instead start fulfilling his own agenda, whether it is Social Security reform, education reform, child care reform, campaign finance reform, tobacco legislation or expansion of free trade — all of which will require him to step on some tra-

ditional Democratic constituencies. The president talks a good game oo many of these issues, but he has yet to really put his shoulder to the wheel behind most of them or to put them in

concrete legislative form.

It is time for the president to make clear exactly what his Iraq policy is, which simply is not clear anymore. What is clear is that the administration is playing games - trying to shift not It is not the Cold War. But it is time

By Thomas L. Friedman

responsibility for Iraq policy from the White House to the United Nations. which is to shift it to oowhere.

What is clear is that Secretary of State Madeleine Albright has signaled to the chief UN weapons inspector, Richard Butler, that the administration does not want to stir up Saddam Hussein with any surprise inspections right oow. If the Clintonites walk away from their responsibilities on Iraq, it is the

end of their foreign policy.

It is time the leaderless Republican Party developed a serious domestic agenda (beyond arguing that shrinking government and ending abortion will solve all problems), as well as a foreign policy befitting a superpower. Since Bill Clinton came to office, the Republicans have spent much of their time just living off his misbehavior.

On foreign policy they have either offered drive-by criticism or adopted utterly irresponsible positions.

These range from base pandering on the Middle East to indulgence of fringe congressional Republicans who want to hold up key foreign policy funding for institutions like the IMF unless the United States stops all support for family planning, to mindlessly slashing the State Department's budget — an outrage at a time when America's global responsibilities, and economic oppormnities, have never been greater.

Without a serious Republican foreign policy, it makes it so much easier for the Clintonites to be unserious, too. For a long time now we have defined this era as the post-Cold War era. That is, we have defined this era hy what it is

workplaces, jobs, communities, educational demands and government re-

sponsibilities. It is an era in which corporations have never been bigger and yet individuals have never been more empowered - to do good or ill.

It is an era in which America has no single big enemy, hut many, many smaller ones. It is an age when the gap between rich and poor is widening faster and faster.

It is an integrated era in which the biggest threats to stability come from a weak Japanese economy, which America can't control, and a computer chip

we define it by what it is. It is an era of stunningly rapid change in everyone's

problem called Y2K that we can't see.

It is an era in which the United States and the rest of the world need an American president who gets these issues. The good news about Bill Clinton is that he does get them. The bad news is that even before the Lewinsky affair, this president was having trouble developing, and passing, the legislation for this new era. But he may now be getting a second chance to begin his second term - a chance that he does not deserve but that we do.

It may be hoping for too much that Bill Clintoo will take this opportunity to be the president he has the potential to be. Bot Lord knows it's time.

The New York Times.

#### An Irresponsible Diversion in Washington

Asians who are the most downcast asians who are the most downcast about America's preoccupation with the Clinton sex scandal tend to regard it as an irresponsible diversion from more consequential issues, fueled by a poisonose process that is chipping away at the powers of the presidency.

Ever since the Lepinely scandal

Ever since the Lewinsky scandal surfaced in January, the overall re-action from Asia in its press and in the ordinarily careful, not-for-attribution words of diplomats has been both incredulous and fearful.

From Malaysia, the New Straits Times opined: "As far as the U.S. media [are] concerned, it is the story of the decade. It is higger than all others Middle Eastern problems, Asia's financial crisis."

An Australian diplomat echoed the sentiments of many officials I have talked to when he expressed virtual contempt for the destructive tenacity

and dysfunctional myopia of the U.S.

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legal and media systems: 'Yon're wasting the trust dividend that Clintoo has built up in Asia, which in general recognizes that Clinton has worked hard to raise the quality of his communication with the region, especially with China.

This effort has been so important. And now America wants to erode that trust by chipping away at and humbling the office of the presidency. I find this tragic and unbelievable."

A prominent, Japanese business ex-

A prominent, Japanese business ex-ecutive in Tokyo said: "Americans have to accept that the U.S. presidency doesn't belong just to America."

A great tragedy could be in the mak-ing that is totally unnecessary and self-inflicted. But it may be too late for America to pull back from the brink. - Tom Plate, commenting in

the Los Angeles Times.

## So What Happens When America Can't Keep Buying?

WASHINGTON — In his book "One World, Ready or Not," the journalist William Greider coined a useful. phrase to describe America's role in the global economy. The United States, he said, is "the hnyer of last resort." When other countries' economies do poorly, the United States ab-

motes overall stability.
Rarely since World War II has this role been so important, with most of Asia depressed. But this time the U.S. economy may be unable to spend the world back to prosperity — and the rest of the world could pull America into a slump.

sorbs their exports and pro-

America is now enjoying, of course, a stupendous consumer spending spree, which seems to bode well. Americans are huving computers, cars and sofas from almost everywhere. The trouble is that the huying hinge will not continue forever, and the falling stock market could hasteo the end by puncturing consumer confidence. Asia's

distress might then spread.
I remember exactly when I spotted the spending spree. It tax income minus their con-

By Robert J. Samuelson was early on Feb. 14 at Hancock sumption. From April to June, Airport in Syracuse, New York. Americans spent 99.4 percent of Airport in Syracuse, New York. I had a 7 A.M. flight and expected to find the place deserted. Instead it was packed. People were rushing off to such

places as Buffalo, Baltimore

and Pittshurgh. Granted, this was Presidents Day weekend, and some flights had connections to Florida. Still, the travel mania was astonishing. In 1998 the nation's airlines will have carried about 600 million passengers, up almost 25 percent since 1993.

lience: sport utility vehicles. In new vehicles sold. Compared with typical cars, SUVs are pricey, and the mix is moving upscale to larger models with leather seats and CD players. The problem is that to pay for

all this spending, consumers have almost stopped saving. The Commerce Department defines saving as people's aftertheir current incomes; they saved 0.6 percent. That is less than onetenth the average from 1980 to 1992 (6,7 percent of income). As the stock market has risen, the

savings rate has dropped. We seem to have a paradox: People save less but invest more in the market. Charles Schwab Corp., the broker, has 50 percent more accounts than in 1995. But the paradox is more apparent than real.

People may think they have Here is another sign of ebul- not cut saving; they make the same monthly contribution to a 1993, Americans bought 1.4 retirement account. But there million of them; by 1997 it as are many ways to reduce sav-2.4-million — one of every six ing: borrow more; sell stocks and spend the proceeds, and dip into other accounts. All this is probably occurring.

Borrowing has increased. Despite falling interest rates, consumers are paying a record 14.8 percent of their after-tax incomes in interest and principal repayments, estimates Susan Steme of Economic Analysis Associates. She finds the high

and causes consumers to raise their precautionary saving. The economist Ira Kaminow of the Capital Insights Group writes: The economy is enjoying a number of virtuous cycles that

could turn vicious if the stock market were to enter a sustained contraction or even level off. ... The market is supporting strong consumer and investment spending which in turn supports profits and the bull market."

Well said. A market slump could tripger a downward spiral prices. Few economists yet predict a recession, but forecasts of continued growth rest on assumptions that are optimistic and perhaps heroic.

Merrill Lynch projects that GDP will expand by 3.3 percent in 1998 and 2.4 percent in 1999. To achieve that, the consumer savings rate remains below 1 percent, and business investment jumps by a hefty 20 percent may soon learn the answer. from 1997 to 1999, even though

borrowing and low saving om-inous, they usually characterize a business cycle near its peak. The economy is value to anything that shakes confidence and causes consumers to anything that shakes confidence sold the next. But optimism

could prove overblown. One reason corporate profits may drop is the widening trade deficit. Merrill Lynch estimates the deterioration at about 2 percent of GDP from 1997 to 1999, mainly because U.S. companies export less to Asia and, as a result of currency depreciations, import more.

This brings us back to the "buyer of last resort." The rising trade deficit is America's of consumer speciding and stock 'ic recovery: But if the trade def-

Even without a slump, the U.S. economy is not large enough — about a fifth of the global total — to rescue the entire world single-handed. In his book, Mr. Greider wonders what happens when the United States can no longer "lubricate the global marketplace." We

## Count on the People of Hong Kong to Rebound Again

By Anson Chan

SINGAPORE — The present economic crisis in Hong Kong, while proving to be much deeper than anyone had fore-seen, is not the first we have faced. Having lived in the territory for 50 years, I have seen it suffer through recession, market crashes, rioting, bank failures and political turmoil.

Yet Hong Kong has always hounced back, growing, thriv-ing and providing the conditions for people to make a better life for themselves and their children. It is against this backdrop that we should look at the sent position. Otherwise, by focusing on immediate problems, we lose sight of the longer-term perspective.
When I arrived in Hong

Kong as a very young girl with my parents in the late 1940s, we were among a wave of people leaving China to establish a new home ourside the constraints of the Communist regime on the mainland. In 1950, with the Korean War raging, Hong Kong was almost on its knees under the weight of 1.5 million refugees from China, mostly

living in shantytowns. But by the mid-1950s we were beginning to get back on our feet. Industry was starting to grow, first with cotton spinning and weaving, then in the 1960s with man-made fibers, garments, plastics, electronics, watches and clocks. Still, a question mark seemed to hover

over Hong Kong's future.
In the mid-1960s the territory, then a British colony, was being described as a borrowed place living on borrowed time. The Cultural Revolution in China was in full swing, with the consequent turnoil it created.

In the end, cooler heads prevailed in Beijing, and Hong Kong entered a new phase of development. Once again, Chinese entrepreneurs were driving the process of industrialization in the territory, and the government resumed its and no necessity to devalue the massive housing and schools program to cope with the swell-

tinue to be competitive even Hong Kong's fortunes con- after the marked depreciation of produce a much leaner and

tinued on a roller-coaster ride, other East Asian currencies. reaching another trough in 1983 when the currency, which had been allowed to float, experi-enced a 100 percent devalu-ation. It fell to almost 10 Hong Kong dollars to \$1 in the space of two years.

The authorities were forced to take drastic action. They linked the currency to the U.S. dollar at the rate 7.8 Hong Kong dollars to \$1. The link has been in place ever since.

The Hong Kong dollar has remained rock solid. Today it is the only freely convertible currency in East Asia that has survived the financial turmoil unscathed. While other currencies were plunging, in some cases hy more than 80 percent against the U.S. dollar, the 1,600 billion Hong Kong dollars in the territory's banking system lost none of its value.

In the face of the regional devaluations, many have questioned whether Hong Kong can maintain the U.S. dollar peg. Our argument remains that we cannot afford to lose the link. Cutting it would set off another wave of currency instability in

East Asia Hong Kong's economy is externally driven. The total value of its trade in goods and services in a year is equal to well over 250 percent of its GDP. Businesses engaged in those export activities need certainty in exchange rates.

There was renewed pressure on the Hong Kong dollar recently. But there is no change in our policy and commitment to maintain the linked exchange rate. As in the past, speculators had their fingers burned.

Rumors about possible devaluation of the Chinese currency also swept through the financial markets. But Chinese authorities were quick to reiterate that there was no intention renminbi. I believe that China will con-

Labor costs on the mainland are still lower than in most other regional economies.

But Japan, with the largest economy in Asia and the second largest in the world, must take further steps to stabilize the yen and revitalize its economy. Otherwise a deflating Japan could not only delay recover in the region but derail it altogether.

Hong Kong knows that costs are one of the most important factors in competitiveness. But there are other significant elements as well, such as adherence to the rule of law, the need for a corruption-free society, predictable government policies, and the free flow of information and capital. Such ingredients are all aimed at putting local and overseas investors at ease,

These are areas where Hong Kong has performed well in the past and will continue to do so in future.

However, where the territory had become uncompetitive was in property prices. The years of high prices, high inflation and negative interest rates had created a bubble economy that needed to be corrected if Hong Kong wanted to retain its com-

mercial and economic vibrance. East Asia's financial rermoil has hastened the pace of this correction. Hong Kong is now in the midst of a major economic adjustment — property prices have fallen (in some cases by as much as 40 percent), stock market capitalization is down by more than 40 percent. tourism is down by about 20 percent so far this year, unemployment has riseo to a 15-year high of 4.5 percent of the work force, and the economy contracted in the first quarter.

The process of adjustment is painful, and I feel deeply for those whose livelihood is affected. The government is do-

ing all it can to help them. What we are seeing is the reaction of a free market at work, which will ultimately

more competitive Hong Kong. work with mainland authorities
Already the territory's competitive edge is improving with lower property prices, which re-duce the cost of doing business. Annual inflation is down to 4 percent. China, Hong Kong's hinterland, is continuing to grow, not at the 8 percent rate forecast at the start of 1998 but still at a very healthy 7 percent for the first half. Our foreign currency reserves, at \$96.5 billion, are the third largest in the

world, after Japan and China. We are embarking on a \$30 hillion infrastructure program to build for the future. The program includes investment in railways, roads, bousing, education, training and new tech-nology — the kind of projects that will make us more competitive as we move into the

As a Special Administrative Region of China since July 1997, Hong Kong has been

handed unique opportunities to

and derive mutual advantages from cross-boundary development. The territory's manage ment skills, entrepreneurial drive and access to capital markets can be harnessed to develop value-added business service and upgrade the industrial base on the mainland, particularly in the nearby Pearl River Delta. By combining Hong Kong's international business know-

how with its access to lower cost. resources in the delta region and beyond, we can further expand our role as a middleman for new venture capital in China. The writer is Hong Kang's chief secretary for administra tion. This comment was adapted

by the International Herald Tribune from a speech at a business lunch on Aug. 14 organized by the Hong Kong Economic and Trade Office in Singapore and the Singapore International Chamber of Commerce.

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: U.S. Supremacy WASHINGTON - Orders

were sent to General Metritt that there is to be no joint occupation with the insurgents of Manila, but that the American supremacy must be absolute. In a formal order that has been sent the President's policy is clearly set forth. It states: "The insurgents and all others must recognise the military occupation and authority of the United States and the cessation of hostilities proclaimed by the President."

1923: Klan University

PARIS — The purchase of Valparaiso University, in Indiana, by the Klu Klux Klan, with the announcement that it will spend \$1,000,000 in enlarging the educational institution, has been received with mixed approval. An American husinessman in Paris, who was at the bottom of a recent rumor that a branch of

the hooded riders was being organised in Paris, cannot conceal his pleasure and expects an edit cational institution in the hands of the Klan to widen and strengthen its influence.

BELGRADE - The Danobias

conference ended with sever Communist states voting these selves exclusive control of a river in a convention which is United States, Great Britain as France refused to sign. The convention was virtually a rubber stamp copy of the draft waster by Andrei Vishinsky, channel of the Russian delegation. American resection ican rejection was based on the fact that the Soviet draft failed to provide arrangements for face trade and navigation. It was a backward step representing a new effort to deprive certain Danube states — and especially Austria — from essential trade with the rest of the world.



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#### OPINION/LETTERS

## What's Up in America? A One-Day Value Check

By E. J. Dionne Jr.

before Kenneth Starr's grand jury. You will be up to here with talk

as yon wish: on the president, on the special prosecutor or on both. But be wary of any claims you bear that this very strange episode reflects profoundly on the moral state of Americans as a people. Before you buy the idea that there is a crisis in the nation's values, consider the other things

-hinglen

that happened Monday.

The people at Martha's Table, a big yellow building about a mile from the White House that houses a program for the homeless, were planning to do what they do every single day. About 200 children, ranging in age from 2 to 17, showed up at their door early in the morning. They consumed 66 In Los Angeles, 700 children, pounds of cereal before embarkaged 6 weeks to 18 years, showed ing on a day of play and learning, up at Para Los Niños — For The ing on a day of play and learning, said Susan Schieffer, the organization's director of development. .

The volunteers arrived later --on a normal day, 70 to 100 of them - to make sandwiches, pack potato chips, bag cake and donuts

W ASHINGTON — If all homeless people in Washington.

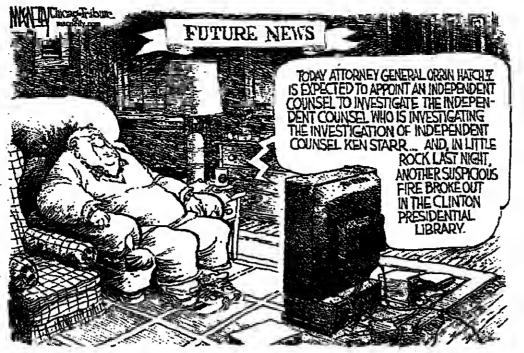
Ben Beltzer, the executive director of the Interfaith Housing Cowill be filled with news about alition in Dallas, was pretty sure President Bill Clinton's testimony what he'd be doing as the testimony in Washington droned on:

"On that Monday morning, I'll about sex and alleged perjury. be holding the hands of some single Place the blame for this mess mother whose abuser has found out where she's living and has tried to abuse her again. She'll be talking about her difficulty in giving her children the things that they want and that she can't give."
The poor, Mr. Beltzer says, do

not get the publicity that accrues to big Washington controversies. "They're only sensational when they kill somebody or rob a store," he said. Mr. Beltzer has worked in mission programs for a quarter-century and is philosophical about the country's moral state. "I don't think we have any more moral decay than we had 20 years ago," be said. "We just know about it better." Children. The group's center on East 6th Street sits hard against the

ket and a tough red light area. The news shows covering the Washington story minote-by-minute should not count on a big head out to feed from 1,000 to 1,200 bump in viewership from the or-

garment district, the produce mar-



ganization's 130 employees. They will be too busy teaching and counseling and working at the group's summer camp, said Miki Jordan, the president of the or-ganization, taking children who might not otherwise get there to the science museum or a water park.

Up the California coast in Santa Maria, Sister Janet Corcoran, vice president of Mission Ser-vices at the Marian Medical Center, expected to spend part of her Monday planning an anti-vio-lence program for her town and oearby communities this fall.

Her program focuses on "the have — "runaways, worth of each person in the human homeless street kids."

family," she said, and the good works they can do.

You know the media focus given to violence," she said matter-of-factly to the media representative at the other end of the phone line. "If we could focus on the good bumanity does, it could change the tenor.

In New York City, Sister Mary Rose McGeady heads Covenant-House. Some 1,700 children show up at her organization's centers on a typical Monday. They are children with no homes or children who fear returning to the ooes they have — "runaways, throwaways,

She recently asked one of her young clients. "Did you run away?" "Well, Sister," he replied, caring profoundly about telling the truth, "I walked." Such stories were multiplied

1,000 times over in the United States oo Mooday. They do not suggest that the drama played out before the grand jury was un-important. They get no one off any books. They show only that the moral challenges that America faces are larger than current preocenpations would suggest and that some people out there

are meeting them. Washington Post Writers Group.

#### LETTERS TO THE EDITOR

#### Clinton's Speech

President Bill Clinton deserves full marks for his dignified speech to the nation on the Monica Lewinsky scandal. Within the strict definition of what constitutes a sexual relationship, I understand that the president considered that none had taken place. His testimony earlier this year in the Paula Jones case thus was legally cor-

If impeachment continues to be discussed in this context it can only be by those who have something to gain by keeping this affair alive. ROGER F. HUNZIKER.

more againmental stanger i lande valida.

23 Opposite of

25 Disquises

24 Make a misstep

ulated that a president must resign if he causes exorbitant amounts of embarrassment to himself, the office of the presidency and the nation due to a whole and utter lack of good judgment and common decency, Mr. Clinton would be waving "V" signs from the door of a helicopter departing from the.

India and Kashmir South Lawn right now.

KAREN BERGAN.

The recent terrorist bombings in Kenya and Tanzania are two more reminders of how grave the world situation has become, especially for us Americans, Geneva. wherever we may happen to live, and how essential it is for the If the U.S. Constitution stip. United States to have a full-time parcels are to be next?

front the perils that face us. So, would the independent couosel, Kenneth Starr, please find another sandbox to romp in? DONALD ARTHUR

Regarding "The Kashmir Puzzle" (Opinion, Aug. 4): The editorial misses an impor-tant point. India has a 20 perceot Muslim population that is spread around the country in several concentrated pockets. That equates to approximately the total popula-tion of Pakistan. If India bas to cede predominantly Muslim Kashmir to Pakistan, what other

I see no conceivable situation under which India will relinquish sovereignty over Kashmir, except an uncooditional battlefield vietory by the Pakistanis, and that is highly unlikely. Those who preach to the Indians should recognize this fact.

#### S. A. MADHAVAN. Fredericksburg, Virginia. Undermining NATO

Regarding the report "NATO Approves Kosovo Action Plan" (July 14) by Jaseph Fitchett:
Mr. Fitchett's cogent article limns Moscow's continuing undermining of the North Atlantic Treaty Organization

Treaty Organization.

The expansion of the NATO alliance is bearing its bitter fruit: The Russian Duma has not approved the START-2 nuclear treaty; the Russian foreign minister, Yevgeni Primakov, is re-assuring Serbia. Russia's tradiassiming protégé, that it will block any intervention by NATO, in Kosovo; President Jacques Chirac of France is less than happy about a NATO action that baits the Russian bear. Greece is seemingly quiet, but views with concern the possibility of an attack on Serbia,

a historical ally.

This is but the beginning of the deterioration of NATO, the result of President Bill Clinton's folly.

WILLIAM GREENWAY.

## Getting Away in Vermont, Where Moose Make News

By Jonathan Yardiey

C T. JOHNSBURY, Vermont -Imagine, if you can, anything more difficult to accomplish in this age of all-pervasive technology than

the simple act of getting away. Well, if you can imagine that, then you can imagine me, off in a remote corner of northeastern Vermont, connected to the outside world hy nothing except the thin

#### MEANWHILE

wire between this laptop computer and the telephone jack, enjoyiog a few days of near-isolation in a world to which the mere thought of such is anathema.

The television set is not working, and even if it were it is not connected to a cable system, so the insistent clamor of CNN Headline News and the Weather Channel are beyond my apprehension.
I can drive a few miles into

town and buy The New York Times. I did this the other day, and was promptly informed that the repellent stock market was continuing its downward slide, the repellent Hillary Rodham Clinton's "approval ratings ... are higher than ever," and the repellent Mike Barnicle will remain a

columnist at The Boston Globe. If this be news, who hath need of more of it? With all due respect to the editors and writers of The Times, I have abandoned their services for the duration and now cooleot myself with the news budget of the local daily, the Cale-donian-Record, which the other day reported, in agreeably understated fashion, the adventures of a family whose automobile made violent contact with a moose. This deterred them not in the least, and when last seen they were motoring merrily onward.

No doubt, violent contact with a moose is not so amusing in the concrete as it is in the abstract, but to a city boy sick unto death of Monica Lewinsky, Kenneth Starr, Al Gore and the other cretins with whom the nation's capital is at present afflicted, a few lines about moose on the loose come as indescribable relief.

Speaking of moose and such, on the hill across the way is a scraggly band of sbeep. Inhabiting as they do these Caledonian environs, they are laconic sheep and only occasionally emit the random bleat. This little of the noise of Mother Nature suits me just fine.

No, you will get no rhapsodies about Mom Nature from this pulpit this morning, It is true that I committed same from time to time in earlier years while a part-time resident of Cecil County, in northeastern Maryland, but northeastern Vermoni - mercifully - has no such effect on me. The land of Ben and Jerry is beautiful, all right, but it provokes no dithyrambs from me.

In the interests of full disclosure I admit that last night I consumed far more than my fair share of a pint of something called S'mores, manufactured by "all of us at Ben & Jerry's" in their 1960s-recidivist encampment a few miles away.

Ben and Jerry appear to be as inescapable hereabouts as cheddar cheese, of which I always consume more than my fair share, and maple syrup, an exceedingly large metal container of which sits in the refrigerator of the cottage I am inhabiting. Otherwise, Vermoni holds far fewer temptations for me than it does for those innumerable New Yorkers who are rapidly turning the state into Central Park North.

It is, so far as I can tell, the south of the state that has suffered the most damaging effects, but there is evidence that St. Johnsbury is succumbing. There are, for example, few books at the local bookstore that anyone in bis or her right mind would care to read, but there is a display of New Age indoctrinatory material, as well as a feeding statioo at which one may purchase nutritionally and ideologically correct pastas and other comestibles.

It is good I brought my own reading, the advance proofs of two books about Charles Lindbergh, These are the work of friends and will not be subjected to my professional scru-tiny. More's the pity, since both are splendid, but this affords me what is, for a full-time reviewer of books, gratification even greater than that of being beyond shouting distance of Monica, Kenneth and Al; reading solely for pleasure.

Yes, reading about the estimable and misunderstood Lindbergh has set me to thinking about the nature of beroes and heroism. But those thoughts I am keeping to myself. Maybe in a few minutes I'll switch off the laptop, slip into my imitation Birkenstocks and wander up the hill to have a philosophical conversation with a couple of the sheep. You know: Ben and Jerry.

The Washington Post.

### \*\*\*CROSSWORD

10 Kind of mark 15 Stinging remark

16 Derby track 17 Statehouse official: Abbr

16 It may get a good licking 16 Pianist Peter 20 On the way to

41 Violation Solution to Puzzle of Aug. 18



43 Like printing 44 Soft cheese 45 Educ. group

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INTERNATIONAL PORTRAIT PAINTING COMPETITION

46 Opera about an - opera singer . 47 Country music 46 Funnyman Brooks 46 Live coal 51 Windup

53 Portico 56 Leg's partner ez Quiz answer

64 Entertained in one's apartment es Suffix with ' burdens

as it may rock you se Web-footed 70 Actor Sam

4 Suffix with # History that no longer matters

7 Regetta crev s Boring tool \* Team helpers 10 in need of company 11 Pizzeria feature

16 Precinct 13 Defeat 21 Salivate zis 1962 Polanski

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ATATURK ON THE 75TH ANNIVERSARY OF THE REPUBLIC OF TURKEY PORTRAIT PAINTING COMPETITION "Ataturk on the 75th Anniversary of the Republic of Turkey" Turkey's leading daily newspaper Milliyat, is sponsoring a portrait Painting competition:

"Ataturk on the 75th Anniversary of the Republic of Turkey"

Following the preliminary assessment of all competition entries, the paintings will be published in Milityet in full colour and also on

the Milliyet web site. The winners of this competition, held to commemorate the 75th anniversary of the Republic of Turkey, will be alected by vote from the Turkish public. Winning portraits will be sold at auction, organized by the Kenan Evren Foundation. Winners will receive monies

from the sales according to International norms. Entrants should apply to their local Turkish Embassy or Consulate for information on Atatürk or his photographs. Conditions of entry are as follows:

The painting must be painted in oil on canvas. A 15 cm x 20 cm printed photograph along with a transparency of the peinting should be sent directly to Yapi Kredi Veldi Binasi Z6, Valikonagi Caddesi, Nisantasi 80220, Istanbul, Turkey. Tel: +90 212 234 1750, Fax: +90 212 246 0866, E-mai: sarol@bine.net.tr

Portrait dimensions - 50 cm x 70 cm or 54 cm x 73 cm.

1 The final deadline for the competition is Thursday, 1st October The following prizes will be awarded:

 First Prize US \$15,000 US \$10,000 Second Priza • Third Priza US S 5,000 (Participating artists can enter more than one painting.)

#### INTERNATIONAL

## Congo's Fate Lies in the Hands of Neighbors Grown Used to Intervening

By Howard W. French New York Times Service

KINSHASA, Congo — By day's end here, when the sun's red disk sinks below the horizon and this electricity-deprived city now on razor's edge fades to black, the only people who remain in the street are the soldiers.

There are the clusters of uniformed men who third-largest country. patrol on foot, clinging tightly to their rifles, uncertain as they are of their future. And then there are the thousands of fresh recruits, still dressed in rags, who mill about in the streets.

"We want to fight to save our nation from the Rwandans," said Pierre Kunga, an 18-year-old who is one of the recent recruits who haunt the streets at night but have not been given arms. "This is no time to debate the flaws of our leaders. Our country is about to be swallowed

But despite the success of President Laurent Kabila in turning out thousands of volunteers in recent days for what he says will be a "long and effort to overthrow Mr. Kabila gains pace. popular war" against a Rwandan-backed re-

Instead, the endgame of this conflict, the latest of many in a country whose history has been full of uprisings, is likely to be decided by more powerful neighbors with sharply divergent interests, but with one trait in common: They have the U.S. Embassy here. "They have nearly all grown used to playing king-maker in Africa's

When Mr. Kabila himself was swept to power at the head of an alliance principally armed and manned by Rwanda, Uganda and Angola, Washington seemed to appland after a brief moment of hesitation over the military overthrow of a longtime ally, Mobutu Sese Seko. These were "African solutions to African prohlems," according in a fashionable phrase in policy circles.

As Mr. Kahila's star wanes, following a 15-

month presidency marked by erratic behavior, diplomatic hlunders and sinking popularity, it is now those same allies whose interests are be-In starting their second rebellion in Congo in as

bellion, these new "fighters," many of them many years on Aug. 2, Rwanda quickly secured teenagers who have been trained with nothing the allegiance of Mr. Kahtla's higgest army unit,

troops to the opposite end of the country, where they mened a front over Kinshasa in the mainly in southern and central Africa, that resent is deeply despised by the population of much of they mened a front over Kinshasa in the mainly in southern and central Africa, that resent is deeply despised by the population of much of the country. they opened a front oear Kinshasa in the west.

"This is unbelievable," gushed a Western diplomat, before the evacuation last weekend of achieved as much in seven days as the Kabila rebellion did in seven months.'

Rather than give up without a fight, as his predecessor, Marshal Mobutu, did, what Mr. Kabila has done in the last few days is to throw his energies into rallying Angola and other African countries behind the idea that Rwanda is threatening stability on a grand scale.

It is unclear whether Mr. Kabila's personal

diplomacy comes too late or will produce too little concrete support to save his own regime. Local businessmen and others with knowledge of military activity here say that Angola has been using its airplanes to ferry troops for Mr. Kabila's army, and has provided the government with a battalion of so-called Karangese gendarmes, longtime Con-golese exiles who have fought in Angola's army. What is becoming clear, however, is that there is a growing rift within the continent separating

their far-flung interventionism.

For now, say experts in African political affairs, Congo is the theater of this tension, whose immediate effects are still mostly unpredictable. What is to be feared, they say, is that the rivalries and instability these tensions create may eventually be played out on a far larger stage.

"What is happening now could lead to the breakup of the Congo," said one senior central

African diplomat who spoke on condition of anonymity. "It could lead to s new explosion of the civil war in Angola. It could backfire on Rwanda, exacting a terrible price from a country that is ruled by a small minority."
Under the first scenario, if Mr. Kabila's forces

are unable to hold the capital, they may simply decide to beat a retreat to the president's ethnic fief in sonthern Congo, effectively turning the mining town, Luhumbashi, the country's secondlargest city, into a de facto rival capital of Kin-

What is worse, these analysts say, however well masked by hastily cobbled-together coali-

more than mufflers to use as mock guns, are unlikely to be decisive.

Two days later they were boldly flying rebel closest African friends, and other countries, linstead the endgame of this conflict the latest troops to the appearance of the appe this country, is unlikely to produce stability.

Although Angola, which has the region's largest army, has yet to completely show its hand in the current crisis, African diplomats say that country's primary interest here is in having a stable government, and one that can secure the long common border.

Finally, there is tiny, but powerful, Rwanda. Whether or not the rebellion succeeds in toppling Mr. Kabila, many here say that over the long term Rwanda's interventions in Congo are

likely to come back to haunt Kigali. Already, in his desperate efforts to save himself, Mr. Kabila's government has openly made common cause with anti-Tutsi guerrilla groups that have been attacking Rwanda and Burundi for years from Congolese soil.

"This war is a repeat of an already failed attempt to settle the future of Congo by force," said one senior African diplomat. "Instead, it has set people and whole regions against each other. What we have now are nations and whole communities that are learning to hate each other."

#### **ULSTER:** IRA Offshoot Regrets Bombing

Continued from Page 1

several hundred mournful people, many weeping as they prayed, crowded around s small gray stone church and graveyard near the rural village of Augher, near Omagh, to watch the hurial of Avril Monaghan, 30, her 18-month-old daughter, Maura, and the two infant girls in ber womb, due to be born next month.

The Monaghans were the first victims to be buried. Mrs. Monaghan's mother, Mary Grimes, who will be huried on Wednesday, was also killed with her rorist car bomh devastated the downtown shopping area at midafternoon in

No one could recall when a single in terrorist attack had simultaneously killed members of three generations of

the same family.

"We pray for forgiveness for those who caused that most awful act of murder," said the Reverend James Grimes, Mrs. Monaghan's uncle. "We hope that this may be the last of the terrible agonies that people have suffered during the past 30 years."

At the 200-year-old church of St. Ma-cartan, on a hill with a view of several fields of grazing cattle, many people not now propose the restoration of pre-wbo had apparently been fighting back ventive detention, intermment of terrortears broke down and wept as two ism suspects without trial. coffins, a large wooden one and a small five years old, lowered his head and was guided by friends who held his arms.

look at the burial, giving formal re- had been killed by the IRA in 1979. sponses to prayers recited by one of the

Instead, he brought his old mandolin to St. Macartan's on Tuesday and played a

tradidonal Gaelic song of mourning.
P.J. O'Connor, a cousin of Mr. Monghan's, said he and others had sat up londay night with the bereaved father. "He was taking it fairly well," Mr. O'Connor said. "With people around you, you're all right. We talked about other things. About football, the local teams. There was no drinking.

Mr. O'Conoor, a 45-year-old house-builder, works with Mr. Monaghan, who is s joiner. He said the area for miles daughter and granddaughter on Saturday around this village was largely over-afternoon as they left a shop on Market Street. They were all killed when a ter-most of them voted in May in favor of the new Northern Ireland peace agreement, which is designed to end the violence and give Catholics more political power in this predominantly Protestant province.

'She was a very friendly person," he said of Mrs. Monaghan almost in a mumble.

Then she went out shopping with the baby in Omagh.

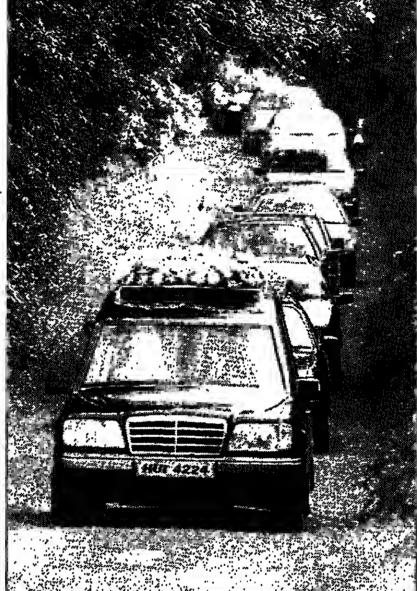
Police on Tuesday were still quesdooing five men arrested in the area on Monday in connection with the attack. The Irish and British governments were preparing oew security measures to curh terrorism, but indicated that they would

In the early 1970s, the British interned white one, were carried out of the church hundreds of IRA suspects, but they beto the graveyard. Michael Monaghan, came international celebrities as they the husband and father, who still has protested their imprisonment in hunger

On Tuesday afternoon Prince Charles visited Belfast and Omagh to offer the People stood guiltily oo graves and British royal family's sympathy. He releaned on headstones, straining for a called that his uncle, Lord Mountbatten,

ponses to prayers recited by one of the riests.

A neighbor, Lliam McConnell, who killed, he said, so I do have some hire Mrs. Monaghan as a bookkeeper. people have to put up with.



runs a puh here, said he had just agreed to understanding of the awful horrors that The funeral cortege of Avril Monaghan and her daughter, Maura, en route Tuesday to St. McCartan's Church near Augher, Northern Ireland.

#### CLINTON: Key Questions Unanswered

Continued from Page 1

his departure for a two-week vacation in Massachusetts to call leading Demo-crats, as well as members of his staff and supporters, and seek their understanding

and support. until Mr. Start reports to Congress, probably next month, on whether he has found "specific and credible evidence," in the terms of the law, that Mr. Clinton committed perjury or other crimes.

While 60 percent of Americans said in a CBS poll that they were satisfied with his comments and similar numbers continued to support his joh performance, a CNN survey found that his personal approval rating had plunged from 60

percent to 40 percent. either Mr. Clintoo's resignation or impeachment proceedings, opinion polls indicated. A USA Today/CNN/Gallup Poll found that 72 percent of Americans believe the country would be better off if

he stayed in office. reduced the danger of legal troubles that could result once Mr. Starr turns over his report to Congress or that he had mollified those detractors in Congress who think impeachment proceedings may be

mental studies at the Brookings Institution, said, "Probably all of Washington was surprised by the defiant tone

Allan Lichtman, a specialist on pres-idential politics at American University, whether that performance could mainsaid, "Clinton kicked sand in the face of tain its momentum or whether "his imthe Republicans by going after the in-dependent counsel. He certainly did less "Can he mobil than he could have to repair his relations needs in Congress on crucial issues such with Congress" or the independent as Kosovo?" asked Guenther Nonnencounsel

During his session with Mr. Starr and the Frankfurter Allgemeine Zeitung. his deputies, Mr. Clinton declined to answer some questions that he con-effectiveness — and the possible longsidered too personal or graphic, advisers term cost to the presidential office said. As a result, Mr. Starr may still try to were echoed across Europe and in Asia. force the president to give fuller answers in a second grand jury appearance, The French daily Le Monde, published at Associated Press reported, citing un-midday, was that buoyancy in the U.S. named sources.

It seemed highly unlikely, however, that Mr. Clinton would submit to a second round of questioning, and legally unclear whether Mr. Starr could compel him to return. Such an attempt by Mr. Starr, said Mr. Mann of Brookings, would lead to "a long and vicious battle.

Mr. Starr continued his investigation Tuesday, calling a former Clinton political strategist, Dick Morris, before the grand jury. Mr. Morris worked at the White House during part of the time Ms. Lewinsky was there, before resigning after reports linking him to a prostitute. Thus it appeared that the prospect was

tipathy here in coming weeks and months "My reading of the speech," said Mr. Mann, "was that Clinton was preparing for all-out war with Ken Starr. He's convinced that Starr is out to get him,

for continued political rancor and an-

and he's sending a signal that he won't go easily."
Mr. Clinton's comments about the independent counsel clearly angered

many congressional Republicans. Senator Orrin Hatch, the Utah Re-

publican who has emerged as a party spokesman on the Lewinsky matter, said of Mr. Clinton's comments oo Mr. Starr. That's the higgest mistake he's ever made.

A former vice president, Dan Quayle, and a prominent Republican senator, John Ashcroft of Missouri, called on Mr. Clinton to resign.

Still, Mr. Hatch said that Mr. Clinsurning Mr. Starr produces no convincing evidence of obstruction of justice.

The speaker of the House, Represectative Newt Gingrich of Georgia, said Tuesday that it was too early to judge the president, or the impact of his comments Monday to prosecutors and the public.

Democratic legislators, who had been cautiously supportive of Mr. Clinton as he maintained his innocence, expressed disappointment that the president had lied, but declared his explanation ad-

The House minority leader, Richard Gephardt of Missouri, said in a statebrought to its long overdue conclu-

Mr. Clinton received a strong message of support from two top aides. Vice President Al Gore sald in a state-

because he is a friend but because he is a person who has had the courage to acknowledge mistakes."

1. 1 300

1. 15 STATE

Hillary Rodham Clinton said through a spokeswoman that she was "committed to her marriage and loves her hus-

"Clearly, this is not the best day in Republicans continued to caution that "Clearly, this is not the best day in the Lewinsky matter will not be over Mrs. Clinton's life," said Marsha Berry. the spokeswoman, adding that the first lady learned of the nature of her husband's impending testimony only over

> Bnt, Ms. Berry added, "She's committed to her marriage and loves her husband and daughter very much and she believes in the president, and her love for him is compassionate and steadfast."
>
> The president's advisers said Tuesday

that the tone Mr. Clinton struck was more confrontational than some had But most Americans do oot favor hoped for. It came just hours after a difficult session with prosecutors.

By admitting in the Map Room session, which was broadcast hy closedcircuit television to grand jurors in a federal courthouse to the east of the White House, that he had had sexual Nor was it clear that Mr. Clinton had relations with Ms. Lewinsky, the president narrowed his legal vulnerability to charges of perjury, analysts said.

#### WORLD: Thomas Mann, director of govern- Ouestions on Clinton

Continued from Page I

of the speech and the limited contri- appearances with the scandal over his

'Can he mobilize the support he macher, an editor and editorial writer at

Similar worries about Mr. Clinton's

The main thrust of coverage in the midday, was that buoyancy in the U.S. economy would carry Mr. Clinton through to the end of his term, with the president continuing to offer unpredictable potential for either a comeback or fresh problems. Looking further ahead. Le Monde said that the duel between the White House and the independent counsel pursuing the case, Kenneth Starr, had weakened both institutions.

In Japan, Tnesday evening newspapers labeled Mr. Clinton's carefully worded public admissions a "clever excuse" and 'sleight of hand." The Asahi Shimbun, a leading daily, devoted more than half the front page to reports and assessments, cautiously concluding that the president had probably escaped any threat of impeachment. "But even if he is able to calm things down on the surface, the strength of the administration has been strength of the administration has been inescapably weakened," the paper said.

Similarly, in South Korea, a pro-business daily, Jungag Ilbo, said that the White House seemed to have calibrated its admissions concerning Ms. Lewinsky. to avoid impeachment without restoring confidence in the president's candor.

This "loss of credibility for the president may mean difficult times ahead, with his moral authority being constantly challenged," the paper said.

Even though it had been widely predicted that Mr. Clinton was going to acknowledge falsehoods in his previous accounts of his relations with Ms. Lewinsky, some commentators seemed to be taken aback that he had actually gone so far as to confess publicly to s sexual affair in office.

This "redemption dimension," as a too's expression of regret may be French television commentator put it, enough to persuade legislators to drop underscored the special American charany possible impeachment inquiry, as-Asia and Europe saying that few other countries would get so exercised about the importance of a lie from a political leader, especially one hounded into discussing his private life.

> could be s social pariah, saying a lack of ethical restraint and family values on his part explained widespread discochantment with Western culture.

came in Europe, too. The Aftonbladet newspaper in Sweden said that the United States could be disqualified as the guarantor of international order because ment, "It is my most fervent hope for the of the 'double standards and hypocrisy nation that this investigation can be that have been allowed to dominate U.S.

In contrast, a Hong Kong newspaper, Sing Tao, predicted that Mr. Clinton Gibes at America in the Clinton era

不是 是

The same and the

politics and media for years." A conservative London tabloid, The Sun, called Mr. Clinton "a serial philanderer." It thundered, "A world that has no respect for the leader of America ment, "I am proud of him - not only has no fear of America either."

## PSYCHE: Time and Again in Public Life, Clinton Treats the Truth as an a la Carte Menu

knew a special prosecutor was already scrutinizing his administration and when his own re-election still hung in the balance remains the most puzzling question about William Jefferson Clinton. But it is not a new question, and in some ways it was entirely predictable that this president should have come to this pass, his promise once again shadowed by his shortcomings.

For Mr. Clinton has always been convinced that he could outsmart, out-talk, out-charm and outlast any adversary, and very often, enough to confirm that conviction, he has. In the darkest days of the 1992 primaries, he dared to campaign on a platform of personal responsibility, despite widespread questions about his own marital fidelity, marijuana use and draft record, and widespread doubt that his answers were candid or complete. In his first term, he shifted ground so many times that even his best friends sometimes said they did not know where he stood.

Time and again in the risky running attributes to himself the most sincere and cesses and to his setbacks. As governor

Continued from Page 1

Rarely has a political leader with such

lofty approval ratings been confronted

with the reality now before the president.

Already a lame duck, his powers limited

by the Republican Congress, Mr. Clin-

ton hit the lowest point of his presidency

on Monday when he acknowledged he

had lied to the American people in Jann-

sexual relationship with Ms. Lewinsky.

can ever have the voice he once had,"

said Michael Beschloss, a historian of

The consequences of that loss of re-

speci could be enormous. Domestically,

Republicans may have even less incen-

their own political interest to do so.

shown no hesitation to push aside the

president's initiatives -- the tohacco hill

being the higgest example - even

record levels. If anything, their con-

fidence in opposing him could increase

hope for the rest of his presidency: the example of former President Ronald Re-

parallel that offered Mr. Clinum some iden.

in the coming months.

Throughout the year, Republicans have strengthens the Republicans."

though his approval ratings were at near- jokes about his personal life on the late-

the presidency.

"It is a very hig question whether he

than I've told you, and any more about it, naïveté and inexperience." really, than you do."

Even Monday night, Mr. Clinton insisted that when he testified under oath in January that he had not had a sexual relationship with Ms. Lewinsky, his answers were "legally accurate," though he added: "I did not volunteer infor-

In the end, such sweeping elisions lie far beyond the ken of conventional political analysis. But professionals who have studied the arc of Mr. Clinton's life and 'Most people wish to think well of themselves," wrote Stanley Renshon, a political scientist and psychoanalyst at New York University in his 1996 study of Mr. Clinton, "High Hopes." "However, Bill Clinton appears to have come to believe the best of himself and either to avoid or gray I trust is the streak in my hair." discount evidence from his own behavior

ATTACK: Clinton Offers a Little Bit of Sorrow and a Lot of Defiance

character, there is some way he can

ary with his unequivocal denial of a tunnel through this and get on to the two of temptation and the predisposition of

mony and what is in the Start report,"

realm. If you don't have trust, how can

tive to cooperate with Mr. Clinton on you govern effectively? It's water driphis leadership. 'My personal belief is legislation, unless they believe it is in ping on a stone, It leaves him in a terribly that we tend to write off the strength of a

weakened position, and I think it

him to ridicule in America and around

the world. He has become the butt of

night television shows. At the National

Governors' Association meeting two

Mr. Clinton's behavior has opened

Robert Dallek, a biographer of pres-

authority is political management, not ican people.

the ending of the Cold War.

Mr. Beschloss said.

Continued from Page 1 melodrama of his public life, Mr. Clinbest of motives. His errors, when action has treated the truth as an a la carte knowledged, are the result of basically candidate, he succeeded in hlurring old menu. On Jan. 21, as news of the actions of ideology, proclaiming dulge in such conduct at a time when he cusations involving Ms. Lewinsky came misunderstandings that, if one knew out. Mr. Clinton told National Public more of what he knew, would disappear Radio: "I don't know any more about it or be midgated, or else are attributable to

Mr. Clinton may have come by his capacity for denial and compartmentalization naturally. They were among the qualities that allowed his widowed mother, Virginia Kelley, to persevere after Mr. Clinton's father died three months before he was born and that allowed Mr. Clinton to make what most criócs regarded as a splendid State of the Union address just

days after the intern scandal broke. When bad things do happen, I brainwash myself to put them out of my career have suggested some answers. mind," Mrs. Kelley wrote in an autobiography, published after her death in 1994 under the president's review. "Inside my head, I construct an airtight box. I keep inside it what I want in think about and

But gray is Mr. Clinton's favorite that all is not as he believes it to be. He weapon. It has been ceotral to his suc-

Baker said that Mr. Clinton would have

"Most Americans are acutely aware

chords, he would be on his strongest

ident may have trouble re-establishing

president too easily," said Al From, the

Mr. From said the president would

have two big opportunities to refocus his

with the commission on Medicare.

which is to report later in the year, and

Leadership Council

Mr. Clintoo's Democratic allies dis-

candidate, he succeeded in hlurring old distinctions of ideology, proclaiming himself neither liberal nor conservative hut "new." As president, he at first promised both a tax cut and new spending, then raised taxes instead. Two years later, he apologized for raising taxes ton much, claiming that Congress had forced him to do so, a claim at sharp variance with the facts.

Innumerable times, Mr. Clinton has accepted responsibility and forsaken hlame. After his 1980 defeat after one term as governor of Arkansas, his political consultant Dick Morris advised him that the key to a comeback was to apologize for past mistakes, like raising taxes and car license fees. Mr. Clinton resisted repeated entreaties to say he was sorry, devising his own folksy formulation for a television commercial: "When I was s boy, my daddy never had to whip me

twice for the same thing."

In fact, the only daddy Mr. Clinton knew was an alcoholic stepfather who sometimes beat his mother, not him. And the president has spent a great part of his life being whipped, often quite publicly, for repeating his own mistakes.

Newt Gingrich speaking Tuesday. He said he would reserve judgment on the president's admissions until receiving Kenneth Starr's report.

president of the centrist Democratic administration cautioned that Mr. Clinton may not enjoy the strength needed to carry out such challenges. The question is whether those in the presidency in the coming months, first political process -- congressmen and

senators - will ahide hy his wishes and believe in what he is saying." the Republican said. There are many who would prefer to stand on the sidelines because they don't know whether or not he can restore his

second hy spearheading a reform of Soweeks ago, the entertainment included a Mr. Beschloss held out one historical stand-up comic who mocked the prescial Security. However effective Mr. Clinton's speech may have been on Monday, Ross

agan. With the Iran-contra scandal, Baker, a poliocal scientist at Rutgers

which erupted during Mr. Reagan's University, said a single speech rarely

sixth year in office, many declared his pulls a political leader out of a crisis, presidency over. Instead, Mr. Reagan Richard Nixon's "Checkers" speech

emerged to reap credit and gratitude for was the exception to that rule. Professor

scenario that, since the core of Clinton's stage' to win back the trust of the Amer-

last years and show presidential lead- humans to sin and the imperfection of

ership. But that depends on how people the human soul," Professor Baker said.

react and what they hear about his testi- "I think if he draws on those mystical

idents, said: "Trust is the coin of the count the dire suggestions that the pres-

ground.

"It's possible that you could devise a to go through "the repentant sinner

"I don't think this presidency is over hy a long shot," Mr. From said. But a Republican from a previous credibility.

# 'Chimes': Weirdly Majestic Chichester Stages

Welles's 'Lost Classic'

By Sheridan Morley rnational Herald Tribu

ONDON - In 1966, Orson Welles took Shakespeare's greatest chronicle plays, the two parts of "Henry IV" plus a scene from "Henry V," gutting and telescoping them into a great if flawed film masterpiece, much like old Orson himself, which essentially kept all the Falstaff scenes and them. Falstaff scenes and threw out virtually

everything else.
Because the film of "Chimes at Midnight" had a great cast — Welles as the fat knight with John Gielgud, Margaret Rutherford, Jeanne Moreau and Keith-Baxter — it has now acquired "lost classic" status. It's the kind of patchwork, incomplete folly that Citizen work, incomplete folly that Citizen Kane might himself have shot over a long weekend with a few starry friends at his San Simeon estate, Marion Davies perhaps doing her Mistress Quickly.

Now, at Chichester, we have the first staging of "Chimes at Midnight" since Walter's death with only Kaith Berter.

Welles's death, with only Keith Baxter (Hal in the film, now his father, Henry IV, on stage) surviving from the original project. But we also get Simon Callow, Welles' a representative on Earth and still midway through his definitive biogra-phy, as Falstaff, along with Sarah Badel as Mistress Quickly in a brisk, economic staging by that still most underrated of brilliant stage managers, Patrick Garland, who as either producer or director, often both, has been responsible for almost all of the best of Chichester over the last quarter of a century.

Inevitably, the production has already run afoul of many of my critical colleagues simply because Garland, Callow, Baxter—and I guess you could include Welles himself—stand for a tradition of highly theatrical, actor-led drama that reached its height at the Old Vic of the late 1950s and then not over-Vic of the late 1950s and then got overtaken by the Cambridge academics who founded the Royal Shakespeare Company and later ran the National.

It also has to be said that, given Chichester's current economic troubles; this 'Chimes at Midnight" is woefully underfunded and often LOIDON horrendously undercast, so that THEATER

at times it looks like the kind of tacky pageant run np by Hilton Edwards and Michael MacLiammour at The Gate in Dublin; where they first discovered Welles early in the 1930s. Yet for all that there is a weird kind of majesty here, and

most of what goes wrong is simply what went wrong when Welles first had the characteristically megalomanic idea of an all-Falstaff show 40 years ago. If you cut away all else in these great

plays, you lose that all-important sense of a tapestry of England from the highest to the lowest in the land. All that really obsessed Welles was the idea of Hal torn between two fathers, Falstaff and the king, but as a result many of the minor characters here drift around the stage shorn of their subplots and therefore with no real reason for existence.

Callow is a memorable if not mesmeric Falstaff, lacking both the ruined majesty of the late Robert Stephens in the role but also unable to capture the joyous



Keith Baxter as King Henry IV in Chichester's "Chimes at Midnight."

bravado of the best I ever saw, Anthony Quayle. For all that, his is a thoughtful, jovial, intelligent and at the last, touching old knight — best when he ia left alone on stage to chat to the audience about the joys of alcohol or the inanity of seeking honor on a battlefield.

Elsewhere, however, both Tam Williams (as Hal) and Tristan Gemmill (as Hotspur) are dangeroosly and unexpectedly lightweight, and it is left to a few old-stagers like Timothy Bateson and John Warner to bring, in the Shallow-Silence scene (also shamefully truncated by Welles), a rare distinction in character and verse, though other old luvvies in beards and cloaks wander around as if involved in some prewar Garrick Chih pantomime. Yet

there is something crucial at the heart of this production; a re-minder of the intermittently hlazing power of the theater, and that sense of vast personal drama in which the actor is all. We are

still only getting a corner of Shakespeare's tapestry, but you are un-likely ever to see anything like it on any other stage in the country. Back in London, the great news is that after more than a decade in the dark,

the Round House at Chalk Farm is once again open for theatrical husiness; the stolen banknotes. Orton was the first to HAPPY ALCHEMY: On strated in "Happy Alchemy." saw. And though be was to entries in the collection repless great news is that it reopens with a National Theatre touring revival of worlds of Brian Rix and Oscar Wilde. so National Theatre touring revival of "Oh What a Lovely War" so endlessly, pointlessly overblown and overlong that it might have been a lot faster just to rerun World War I itself.

Joan Littlewood's 1960s Stratford East classic, cobbled together from an old radio show recalling the songs of the trenches, has been spectacularly filmed by Attenborough and frequently revived on stage. At its best, it is a taut satire that brilliantly counterpoints the inancly upbeat music-hall songs of the period with the sheer horror of statistics showing how many millions were pointlessly slaughtered in the war to end all wars.

In its own concert-party Pierrot way, this was the nearest the British theater ever got to Kander & Ebh's "Cabaret." about the coming of another world war, but there is oo excuse for Fiona Laird's new production to push it over the top to three hours when two has always been adequate, especially when Littlewood herself was a great advocate of cutting.

LSO, though David Arnell is a fine, sinister master of ceremonies in the Joel Grey tradition, and Clive Hayward is masterly as the incredibly stubborn, murderous Haig, we sorely lack character actors of the original Joe Melia/ Murray Melvin variety. The final curtain is therefore as welcome as the Armistice, and we seem to have spent as

long a time getting there.

Meanwhile, a brisk revival of Joe
Orton's most famous farce, "Loot,"
comes into the Vandeville from
Chichester — still raising a lot of gruesome laughs as a couple of bank rohbers and a murderous nurse try to dispose of a corpse so they can fill the coffin with that farcical stereotypes speak in the outraged language of Lady Bracknell, and he was also - in the character of the manic, forlorn Truscott of the Yard to create one of the great comic archetypes of this half-century.

But that, over 90 minutes, is about it. David Grindlay's brilliantly cast production is now looking a little threadbare, and its original shock value has inevitably begun to show its age.

## Miles Evans: Names Count

By Mike Zwerin International Herold Tribuni

ARIS — Growing up, Miles Evans preferred to listen to Ray Charles and Stevie Wonder and others who were admired by his namesakes and who could afford their own airplanes. He did not listen to the music of Miles Davis or his dad, Gil Evans.

Davis always had a Ferrari or a Lamborghini or two parked here and there, hut they don't fly. He kept total-ing them. And Gil was the kind of person who would laugh at the irony of his actually needing the senior cit-izens discount on the sub-

All of this probably has more to do with the weight of given names than with ownership or transportation. Whatever, the kid began to feel more comfortable when trumpeters befriended him. 'Wow!," he thought. "If this is the way trumpet players are. I want to be ooe.

reality," he got the feeling that trumper players were different in kind from other people. They were kinder. He was aware of a "special" bond" between him and the trumpeters. Marvin (Hannibal) Peterson and Jon Faddis went out of their way to be considerate. Lew Soloff loaned him a

horn when be was only 13.

These trumpeters all played with his father's orchestra. They played correctly. They had strong embouchures and were careful to avoid excess pressure on their chops. The trumpet is an extremely physical instrument. They kept in shape. watched what they are on the road and they took care to develop good posture for better breath control. They could

sight-read, play lead, and improvise too. Miles Davis was not that kind of a trumpet player. He was not a very supportive person either. Evans was not really all that close to Davis, but still. being named after him was a bond. Evans was 16 in 1981, when Davis began a comensck. Davis and Gil Evans were not on speaking terms at that point. They were kind of "taking a break from each other" is the way the son looks

But he had Davis's number and heing a teenager, he could get away with di-aling it. He went over and had a 'little lesson." They spent some hours together. It was fun. Davis was "talking about interesting stuff." But coming back was a full-time joh. Davis was trying to coordinate his head with his fingers, and he was fighting for his bealth too. It was amazing that he could still play the trumper at all with the distractions he



In what he calls "my little Miles Evans: Trumpet players were different.

was so good at manufacturing. And any-way Davis had never claimed to be story and I'd rather not get into that now. anybody's father figure.
Gil Evans went to London to conduct

British musicians playing his music. He could not afford to bring his own. Young Miles went along for the ride after Davis bought his ticket. As long as he was going, he took his hom. One thing led to another. Afterward, the New York hand went to Japan, to Europe, and to Japan again. By the time Sting sang Jimi Hendrix songs with them, young Miles was a permanent part of the trum-

HEN his father got sick in 1987, the band was playing for packed houses every. Monday night in the Sweet Basil club. After he died in 1988, the son talked to the owner about continuing them. It was a good idea and it worked. "Amazing players" like Hiram Bul-lock, George Adams and Brad Mehldau passed through the band Miles Evans had begun to lead. But there was a boss's son problem. Evans was only 24 when he took over. He had no track record; he had never done protracted work with anybody else. He looked at it as a growing experience. John Scofield taught him about sharp ninth chords and so on, and be studied his father's scores.

Gil wrote unusually strong inner voices. A second trumpeter played lines that were as interesting as the lead. There were in fact no secondary lines. A third alto saxopbone part played all alone could work as a solo. This encouraged

**BOOKS** 

everybody to listen to everybody else, and so they all played with more care. Miles Evans is still full of wonder about it: "Gil would have a muted trumpet going up, a bassoon line going down and a dissonant tuba note on the bottom. The new sounds he found were really awesome."

Watching the audience in the New Morning in Paris when the band performed there recently, you noticed that the joy of hearing tutti sections from "Porgy and Bess" would light up their faces. It was like they were meeting old friends. Not ex-friends now rich or legendary; hearing these familiar ensemble passages was like rediscovering dependable companions who have been in your life for many years. You go on loving them even though they keep repeating them-selves. What they have to say bears repetition.

At the end of the evening after the audience had left, Evans said that the hand will be back in Europe this winter "if the estate agrees." "The estate is the boss when it comes to the

Gil Evans name. It's a long

His mother, Anita Evans, the executrix of the Estate of Gil Evans, sitting by Miles's side, also preferred not to get into it. A painter and a native of Green-wich Village, she is a woman with great poise who is always careful to be modest in relacion to both of her sons' careers.

Miles's older brother, Noah, was disconnecting the New Morning's sound mixing table. He had been the sound man that night. Noah has worked as an engineer or a producer with, among others, the Beastie Boys, Sting, Willie Dixon. Rohhie Robertson, Luscious Jackson and Gil Evans. He plays the hass and writes songs too, and that night Noah also had served as a roadie, setting up the stage and tearing it down. Anita hoped that they would be able to afford a full-time roadie for the next tour.

Miles Evans wore a tight T-shirt on stage and it was obvious that he works out. He lifts weights, stretches, pedals an exercise hike and practices yoga too.

"You just feel hetter, And with the stretching, you're not stiff. It's a great

feeling.
"Miles Davis was into that 100 hut not the same way. There was one trumpet player he would never go to hear because he said he didn't like the suits the guy wore. He was so fashion-conscious. He had this amazing ability to constantly wear real cool clothes. When styles changed, he'd keep right up.

Miles was into looking good more

than feeling good. I'd rather look good and feel good at the same time."

## Visiting the King's Biggest Fan

By Phil Patton New York Times Service

OLLY SPRINGS, Mississippi — "I guess I know more about Elvis than Elvis knew about himself," said Paul MacLeod, who over the last few years has turned the antebellum house he inherited here into Graceland Too, a right in, but a knock brought no reshrine run by "the universe's, the sponse. The back door galaxy's, the planet's, the world's stepped into a kitchen. No. 1 Elvis fan," as he describes him-

Given the King'a conviction that the unexamined life was indeed very much worth living, this may not be hard to

But MacLeod, who went to 126 Elvis concerts, certainly knows a lot about him, as does his son Elvis Aron Presley MacLeod. Touring Graceland the gold suit, Too, \$5 admission, I heard it in a stream of numbers and alogans.

Numbers like 42, the age at which Numbers like 42, the age at which Elvis and, to bear MacLeod tell it, an Elvis album cover, amazing number of other people died. Or 140 million, the number of Elvis cover the kitchen ceiling. Or 197,000, to be buried. stamps that were issued; many now the number of square inches of carpet that once covered the floor of the Jungle Room at the "other" Grace-

MacLeod purchased the carpet -"the rubber backing, too" — when it was replaced. Portions of the carpet, ent into one-foot squares, are mounted in gilded frames that hang throughout the house. Or "busloads," the number of visitors he was expecting last week. the anniversary of the King's death. But as much as it's a shrine to the

singer, it's a shrine to the MacLeods, as the Medici chapel glorifies the Medici family as much as the deity. Graceland Too has made their "lives complete," the MacLeods say. I found the house with its twin chimneys in a quiet neighborhood of this

quiet town about an hour's drive south

pelo, Mississippi, where he was born. in what is now a whitewashed shotgun

above the front door hung what appeared to be a beach towel of the late. legas-era Elvis. The aign said to come sponse. The back door was ajar, and I

Then I caught sight of MacLeod — Elvis hairdo, rapid-fire speech, holding a cordless phone.

He also pointed out identical to one on an in which he plans

worth more than \$10 million: rare records, clothing, one of Elvis's school report cards.

He took us to the photo room, lined with snapshots of visitors, and we posed for his flash. In each of those photos, you could see the photos on the wall behind and in those photos were photos on the wall. He also pointed out the gold suit, identical to one on an Elvis alhum cover, in which he plans to package and ESPN.

Graceland Too does not attempt to duplicate the "other" Graceland. For tant Early Warning line, or Mission one thing, it's far older - 144 years old Control at Houston, tracking the traand not a 20th-century replica of an jectory of the Elvis legend. antebellum mansion.

For another, it's not aurrounded by the used-car dealerships and fast-food leave this building." But I was plenty of Memphis, where Elvis died, and joints of Elvis Presley Boulevard, hut happy to leave.

about the same distance north of Tu-pelo, Mississippi, where he was born. I 840s bouses with low porches.

Where Elvis never sleeps" is one of the MacLeod slogans - and the MacLeod sets great store by this geographical symmetry. In a window turns monitoring the media for, all references to Elvis, recording them on one of a dozen VCR'a and logging in hundreds of books every time a deejay plays a record, every time he shows up

Against one wall, footlockers containing tapes are stacked high. Media logs bearing a complex system of letters and numbers on their spines line He showed us some highlights of a the room, documenting millions of refcollection estimated, he said, to be erences "from the obvious to the

minuscule," as MacLeod puts it.

He can tell you, say, "that on 6:30

P.M., Dec. 23, 1995, a poster of Elvis appeared in the back of the set of the television show 'Entertainment To-

The result is a level of domestic deshabille that struck close to home for me — and my own media-monitoring decor, my stacks of magazines, tapes and notebooks.

Not quite a home, oot quite a mnseum. Graceland Too may be more like all our houses than it would seem. Its decor is only a larger, more obsessive version of any number of shrines to athletes or rock stars in teenagers' rooms, of bulletin boards devoted to football heroes or dresser tops to Diana, the Princess of Wales.

UT it's also like a grandiose enlargement of the sports fan's den, with his Dallas Cowboys satellite television

It's a monitoring station, a media equivalent of a radar post on the Dis-MacLeod has another probably inReviewed by Pcter Marks

NO OFFENSE to Canada, but in a way it's 100 bad that Robertson Davies did not live in a country of more, shall we say, geopolitical import. Davies, a novelist, playwright, newspaperman, commentator and crioc who died in 1995, was a keen ohserver, defender and interpreter of all things Canadian, and to say that his status in that vast sparsely populated nation was as a kind of free-thinking Shavian figure is to reflect on both the breadth and vitality of his intellect and, perhaps, the all-too-limited houndaries of his influence, at least

and the Theater

pages. \$27.95. Viking.

By Robertson Davies. 384

The New York Times
This list is based on reports from more
than 2,000 bookstores throughout the
United States. Weeks on the list are not

FICTION

ARY, by Holen Fickling .... 6 THE KLONE AND L by

Damelle Steel

7 A NIGHT WITHOUT
ARMOR, by Jewel

8 THE FIRST EAGLE by

1 TUESOAYS WITH MORRIE. by Misch

2 A PIRATE LOOKS AT

FIFTY, by Jimmy Buffen 2 3 A WALK IN THE

WOODS, by Bill Bryson. 3

NONFICTION

were concerned.

librettos edited by his widow. Brenda Davies, and their daughter Jennifer Surridge. Aptly subtitled "On the

Pleasures of Music and the Theater," the anthology narrows Davies's focus to two of his lifelong passions, opera and drama. This is by no means intended to narrow our view of Davies, celebrated author of "Leaven of Malice," "The Manticore" "What's Bred in the Bone." If anything, the book in thoroughly entertaining fashion acquaints us with Davies's expansive erudioon and gift for rendering literary and historical complexities in simple human terms.

The Greeks, Shakespeare, Mozart, Verdi, Shaw: They all enthralled Davies, an inveterate theatergoer who insofar as affairs of the day His range of interests ex- report, he began augmenting tended far beyond the borders the diaries he kept for much of of Ontario or Manitoba, of his life with notices he wrote

4 ANGELA'S ASHES. by Frank McCourt.
STHE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William O. Danko.
6 A MONK SWIMMING, by Malachy McCourt...
7 THE GIFTS OF THE JEWS, by Thomas Cabill.
8 WE ARE OUR MOTHERS OAUGHTERS, by Cokie aloberts...
9 TITAN, by Ron Chernow 10 CITIZEN SOLDIERS, by Sicohen E. Ambrose...

AND EVIL, by John

Berendi MAN WHO
LISTENS TO HORSES,
by Monty Roberts
15 PHILLSTINES AT THE
HEDGEROW, by Sieven

t SUGAR BUSTERS, by H.

Leighton Steward et al ... 2 IN THE MEANTIME, by

John Gray......4 MARILLI HENNER'S

TOTAL HEALTH
MAKEOVER by Marilu
Henner with Laura

AOVICE, HOW-TO

AND MISCELLANEOUS

**BEST SELLERS** 

a posthumous collection of teach drama at the University resent the marginalia of a life essays, plays, speeches and of Toronto for 20 years, he seemed to relish the idea of himself as an enthusiast rather than an expert.

"It may prove that I was not a good playwright," he wrote. in an excerpt from the first page of the musings he called his Theater Notes, "hul I sincerely believe that I have been a good PLAYGOER, and that is something better, perhaps, than having been a well-known crioc. Critics often do not like the theater; I have never liked anything better." The purity of his passion is

apparent in the assortment of short takes that make up "Happy Alchemy": ii becomes clear, as you absorb his arguments on the nature of evil in "Macbeth," or why the genre of melodrama has been unfairly maligned, or how Lewis Carroll's obsession with little girls, so susgrew a bit compulsive about sion with little girls, so sus-his habit. In 1957, his editors pect to the contemporary skepoc, could have remained chaste, that Davies is the ideal theater huddy, a generous course, as is ably demoo- up for every play and opera he audience member with a clas-

sicist's appreciation of form. If he seems a little impatient at times with the liberties of moderoism, you chalk it up to his wide experience of theater (although, intereston the stage). He was not anything close to an old fogey about the theater or opera. He was simply a playgoer who knew a little about virtually everything, and in some specific areas of inquiry quite a bit more than that.

There's something donnish in his ruminations, and the 33

in academia and letters: the texts of addresses to gatherings of scholars and theater lovers, introductions to literary anthologies. Waugh-like bits of satire. The author's devoted wife and daughter include Davies' comments on audience reaction to his speeches. which he always found to be (surprise!) very good indeed.

A few of the pieces might have remained in the family scrapbook - Davies's appreciation of Laurence Olivier for Maclean's magazine, for instance, is disappointingly generic — hut hy and large 'Happy Alchemy' serves up his ideas on topics serious and serendipitous as a refreshing

(The ego was robust.)

The disparate elements of 'Happy Alchemy' may have been put to paper at disparate moments, but there is a linkage here, in the unifying tone of Davies's fancies.

When, in the late 1940s, a friend proposed to write a play about Canada. Davies recalls in one of his essays, he had his doubts: "It was risky because Canada has for a long time been thought a dull country, with dull people. But more traditional kinds of there was a time when Norway was thought dull, and ingly, he rails against realism Ireland was thought absurd, yet both of them brought forth plays which bave been acclaimed as treasures by theaters around the world.

As "Happy Alchemy" attesis, Canada's own inerary reputation got an inimeasurable boost with the addition of Davies to the library.

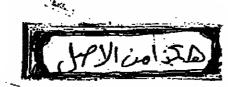
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## Mailing to 'Messaging'

Pitney Making Transition into E-Mail World

By Claudia H. Deutsch New York Times Service

STAMPORD, Connecticut - Michael Critelli well remembers the uncertainty he faced when he became chief executive of Pitney Bowes Inc. two years ago. Investors, and more than a handful of Pinney insiders, were worsed that faxes would kill regular mail, then e-mail would kill faxes, and finally, all these changes would kill Pitney's

"People were saying we'd drop off a cliff," Mr. Critelli recalled.

Actually, the company has kept its footing quite well. Its postage meters and fax machines are renting briskly, and its management services division is finding new customers.

Its stock price and earnings have climbed steadily in the past few years. So has overall mail volume, fueled by direct marketing and a flurry of bills generated from internet commerce. Indeed, the number of postage meters that Pitney rents went up 5.9 percent last year, the largest annual rise in two de-

But does that mean that predictions of mail's demise, and, thus, of Pitney's fall, are wrong? Or are they merely

There is certainly reason for worry. The Postal Service is insisting that me-chanical meters be phased out in favor of more fraud-resistant digital meters, opening the field wide for digitally savvy competitors like Neopost, Francotyp-Postalia AG of Germany and

Ascom Hasler Mailing Systems, a U.S. subsidiary of Ascom Holding AG of Switzerland. These companies have already carved 15 percent oot of Pitney's one-time monopoly in mechan-

The Postal Service has authorized E-Stamp Corp., in Palo Alto, California, to test ways of downloading postage stamps by computer, a method that could go over big with small businesses.

On Monday, Pitney said it was talking to other marketers of computer-based postal products" about licensing Pitney's technology, which the company

More rivals with deeper pockets are circling around the increasingly digital messaging world, too. And many mailing experts are questioning whether Pit-ney has what it takes to go up against Xerox, Microsoft, IBM and the host of other companies that already seem to have electronic communications down

claims it perfected first.

"Traditional mail and metering are under attack," said James Lundy, a research director of Gartner Group, a re-search organization in Connecticut, "and Pitney had better figure out where

it fits in the electronic mail equation." That is exactly what Mr. Critelli is ying to do. "We used to think solely of helping customers save labor and postage on outgoing mail,"

he said. "Now we're looking to compete in every messaging niche.' Mr. Critelli already has combined old

epartments and created new ones. He is pushing Pitney's expertise as a



Mr. Critelli discussing the process of downloading postage from Internet.

manager not just of mail rooms, but of any print-on-paper operation. He is doing it all with one goal in mind: to change Pitney's image from mailing

company to messaging company.

Mr. Critelli is transforming the company from a decentralized group of stand-alone businesses into Team Pitney. He has combined its office-equipment sales forces so that customers could have one-stop shopping for copi-

ers, faxes and mailing equipment.
"When your only tool is a hammer,
you treat everything as though it's a
nail," said William Shannon, director of business operations for Pitney's new small-office division. "We're finally developing a tool kit."

Indeed, Pitney, which used to sell mainly through its direct sales force, is experimenting with direct mail, television sales and Interpet sales. It is about to introduce several software products that will let customers track incoming materials and outgoing products, convert bills and other print files to fax or email, and track when a document has been acted on.

A new division, strategic investments, is figuring out how to commer-cialize products that do not fit into existing divisions. One example: an ergonomics business to help clients reconfigure buildings to accommodate new equipment.

The change is sending shock waves through the company's Stamford headquarters. "It's a lot less compla-

See COPY, Page 15

## Cheap Oil Shrinks U.S. Trade Deficit

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WASHINGTON - Inflation remained subdued in July and the U.S. trade deficit narrowed in June as lower oil prices offset rising imports from Asia, the government said in separate

Analysts said the data suggested the U.S. economy was still on a path of sustainable growth.

The storm in Asia is still out there, while we've still got sunny skies in the U.S.," said Diane Swonk, deputy chief economist at First Chicago NBD. "It's a status quo economy."

The consumer price index rose 0.2 percent in July, the Labor Department said, compared with a 0.1 percent increase in June, as lower gasoline prices and a drop in clothing costs offset a jump in food prices. The index rose at an annual rate of just 1.5 percent for the first seven months of the year, the report

The Commerce Department reported that the U.S. trade deficit in goods and services narrowed to \$14.15 billion in June from a record \$15.54 billion shortfall in May, the first decline in the deficit since January. Much of the June drop was attributable to lower oil prices. The trade deficit with Pacific Rim countries again widened.

Even with the small improvement, the trade deficit for the April-June quarter in goods and services was the highest in history at \$44 billion, underscoring the heavy impact the U.S. economy has sustained from the Asian economic crisis, which has cut sharply into U.S. exports to a region of the world that accounts for a third of America's foreign sales.

For the first six months of this year, America's trade deficit was running at an annual rate of \$158 billion, far surassing last year's imbalance of \$110 billion. The largest annual deficit on record -\$153 billion - was set in

Analysts said the combination of low inflation and instability in Asia offered little reason for Federal Reserve Board officials, who began a two-day meeting

Thesday, to change interest rates.

The Fed's monetary policy panel the Federal Open Market Committee concluded a three-hour, 45-minute private meeting Tuesday by signaling it had made no change in the benchmark rate on overnight loans between banks. That rate has been frozen at 5.5 percent since March 1997, when policymakers raised it a quarter-percentage point.

The economic problems in Asia figured in both economic reports. Lower worldwide demand for oil pushed crude prices down 3 percent in July. That helped keep energy prices, which account for about a tenth of the consumer price index, unchanged last month after falling 0.7 percent in June.

There were some trouble spots, Higher prices for fresh vegetables pushed op food costs, which make up about a fifth

of the index, by 0.2 percent in July.

The trade deficit narrowed in June for the first time this year as imports fell 2 percent to \$90.32 billion. Exports of U.S. goods and services fell 0.5 percent to \$76.17 billion during the month.

"The U.S. economy is healthy," the Commerce Department chief economist, Lee Price, said at a briefing on the

The trade gap with Asia's newly industrialized countries, including Hong Kong, Taiwan, Singapore and South Korea, grew 50 percent in June, as the overall deficit with Pacific Rim countries widened by 13 percent.

The trade deficit with Japan jumped 6 percent in June, while the deficit with China grew 1.6 percent. The numbers measure trade in goods and services and are not adjusted for seasonal vari-(Bloomberg, AP)

## Markets' Disinterest in Devaluation Debunks a Russia Myth

By Clay Chandler Washington Post Service

WASHINGTON - When leaders of the Group of Seven industrialized nations decided this year to include Russia as a full-fledged participant at their annual economic summit meetings, giving birth to the Group of Eight, the rationale was that the former Communist nation was now a crucial player in the capitalist

But one would hardly have guessed that from the way world markets have . reacted to Moscow's decision to let the ruble slide in value.

Russia's abrupt turnabout in its eco-nomic policies Monday turned out to barely affect world financial markets not surprising, many analysts said, because Russia's importance to the global economy is more myth than reality.

**ECONOMIC SCENE** 

By Steven Greenhouse

New York Times Service

Smith, a 40-year-old hotel maid, knows all too well the hard reality that lies

NEW ORLEANS - Jacqueline

While the city's hotels command

remium rates, thousands of workers.

who carry the industry on their backs -

housekeepers, banquet waiters and laun-

dry-room employees — work for wages

that keep them below the poverty line.

Ms. Smith earns \$5.98 an hour cleaning rooms at the Wyndham Hotel. The \$700

a month she takes home is hardly enough to support her three children.

a high school dropout who says she is

too busy working and rearing children

"Who likes to clean up behind

New Orleans is hardly alone in mov-

ing toward a tourism economy that cre-

ates mainly low-skill, low-wage jobs.

But its size and prominence have made

it the focus of a campaign by the AFL

CIO to organize workers in one of the

United States' fastest-growing sectors:

The effort represents an important new

tourism, hotels and casinos

to return to school.

'I do it to survive," said Ms. Smith,

this alluring city's tourism

nterman

The decision to allow a 34 percent depreciation in the value of the ruble was a stronging shift — only days ago, Russian officials vowed to defend the value of their currency no matter what

But world markets mostly shrugged it off. Stock and currency markets in some emerging economies slipped Monday, but not dramatically, and hy Tuesday most of them had recouped their

Most major European stock indexes rose more than 2 percent Tuesday. In France, the CAC-40 index rose 3.5 percent, to 4,123.25 points, while in Germany, the DAX index finished 2.06 percent higher, at 5,568.88. The FTSE-100 exchange in London rose 3.31 percent; to 5.648.20.

In the United States, investors seemed to barely notice; indeed, the

direction for labor, as three unions that

have feuded in the past cooperate in what they term a 'wall-to-wall' organizing

drive that seeks to unionize all of the

hotel industry's 16,000 workers here,

rather than those in a few selected work

places. The American Federation of

Labor and Congress of Industrial Or-

ganizations hopes increasingly to employ such industrywide, citywide drives.

recalls the industrial unionism of the

1930s, the organizers are pursuing a

strategy rarely used since the 1960s.

They are asserting, as the Reverend

Martin Luther King Jr. did when he

marched with sanitation workers from

Memphis, Tennessee, in 1968, that uni-

onization converges with civil rights

when it aims to bring economic justice

"Yon have these crushing ironies here that aren't acceptable in terms of basic social and economic justice," said

the director of the organizing drive, Wade Rathke. 'The industry is wildly profitable. The Hilton here is one of the

most profitable hotels in the chain, and

room rates in New Orleans are rising

about the fastest in the nation. Yet work-

ers are caught in a minimum-wage ser-

vice-sector situation where they don't

make enough to live on.

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to a mainly minority work force.

And just as the citywide campaign

**AFL-CIO Targets Tourism Industry** 

Dow Jones industrial average finished 139.80 points higher Tuesday, after

rising 149.85 points Monday.
"I don't see why events in Russia should completely transform the picture for the rest of the world," said Dan Bernstein, director of research at Bridgewater Associates, a Connecticutbased economic forecasting concern.

In Washington, meanwhile, officials from the International Monetary Fund and the Clinton administration made it clear that they had not approved of Moscow's policy shift. But they stressed that they did not view the prospect of further deterioration in the Russian economy as cause for alarm -or as sufficiently frightening to warrant beef-ing up the \$23 billion in financial assistance that the international community has already promised Russia.

A senior administration official said

With only 11 percent of the nation's hotel workers unionized, both business

and labor are closely watching the or-

ganizing drive. New Orleans officials

have long boasted that the tourism boom, aided by an immense convention

center, has created a tide that is lifting all

boats. But the unions are basing their.

organizing drive on a different premise:

that the boom has been a bust for many

"We need a union because it will

help get us benefits," said Ms. Smith,

who says she earns too little to afford the

health insurance offered by her em-

Bill Langkopp, executive vice president of the New Orleans Hotel and Motel Association, said: "I don't know

that the employees are unhappy. I doubt very seriously that a lot of people are

grossly underpaid, especially when the big problem I keep hearing about is

In searching the nation for places to

mount major organizing drives, the

AFL-CIO selected New Orleans because

its hotel industry appeared to offer one of

the best — or worst — examples of the

While the tourism explosion has cre-

chasm between haves and have-nots.

See LABOR, Page 15

hotels can't get enough help

hotel workers.

the Fund and the Group of Seven leading industrialized nations had rebuffed an appeal over the weekend from Moscow for still more financial support. The feeling was unanimous among the G-7 countries," he said, that giving Russia more money now would have

little positive effect on its economic

Clifford Gaddy, a Brookings Institution economist, said that the lack of a strong reaction in world markets to the de facto devaluation suggested that global investors were beginning to recognize that Russia's economic signif-

icance pales in comparison with its former superpower status.

Analysts said a collapse in the Russian economy probably would have the largest impact in Germany and Finland, which last year relied on the Russian market for 2 percent and 3 percent of total exports, respectively.

Some analysts, such as John Lipsky, chief economist as Chase Securities Corp., warned that Russia's retreat on the ruhle would give pause to investors looking at similar promises by officials in other economies, such as Hong Kong, Brazil and Argentina.

#### Global Private Banking

## Wealth that took a lifetime TO BUILD SHOULD BE TREATED WITH THE PROPER RESPECT.



National Benk of New York

(Saisse) S.A. in Genera.

At Republic National Bank we believe that hard earned wealth deserves to be nurtured and preserved. And so we run our bank according to one fundamental principle: to protect our clients' capital as we safeguard its purchasing power.

It is a simple principle upon which we base our brand of financial conservatism: private banking built upon rigor, discipline and prudence.

This sophisticated conservatism,

vigorously pursued, has created a global private bank of exceptional stability, capable of weathering the roughest storms.

Indeed, Republic's capitalization ratio, on a risk adjusted basis, is twice as great as that required by the world's international banking regulators.

To our way of thinking, it is security as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.



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**CURRENCY & INTEREST RATES** Libid-Libor Rates

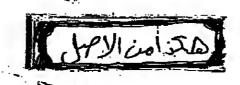
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Republic National Bank of New York Strength. Security. Service.

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\* Kerneldi, National Bank of New York, 1908.



#### Very briefly:

- Bell Canada International Inc. and American International Group Inc., an insurer, are to buy jointly 39.4 percent of Hansol PCS Co., a South Korea cellular phone company, for \$265 million.
- US West Inc. and the union representing 34,000 of its workers who are on strike met separately with a federal mediator to discuss resuming negotiations. Workers walked off the job when talks over a five-year contract broke down.
- Northland Cranberries Inc. is to buy the juice division of Seneca Foods Corp, and will pay up to \$35 million, depending on the amount of that company's working capital on the day of closing.
- J.C. Penney Co.'s second-quarter profit fell 7.6 percent to \$97 million following slaggish sales at its department
- Westinghouse Air Brake Co., the railway equipment man-ufacturer, is to buy the railroad electronics unit of Rockwell Collins Inc. for \$80 million.
- Chrysler Corp. is to appeal a judge's \$800,000 fine for failing to recall 91,000 Cirrus and Stratus cars over problems with their rear seat belts. · Bloomberg, Reuters, AP though, it's picking up momentum with a well-tested formula; a hig-

The Trib In	aex.	Prices i	as of 4:00 P.M.	New York time.
Jan. 1, 1992 = 100	Lavel	Change	% change	year to date %change
World Index	189.29	+ 4.09	+ 2.21	+ 9.98
Regional Indexes				
Asia Pacific	72.91	+ 1.43	+ 2.00	- 24,11
Europe	229.21	+ 6.10	+ 2.73	+ 18.74
N. America	253.16	+ 4.36	+ 1.75	+ 17.21
S. America	110.08	+ 0.48	+ 0.44	<b>— 27.90</b>
Industrial Indexes				
Capital goods	259.29	+ 7.26	+ 2.88	+ 25.52
Consumer goods	227.81	+ 4.05	+ 1.81	+ 8.62
Energy	189.82	+ 2.69	+ 1.44	- 2.64
Finance	134.99	+ 3.48	+ 2.65	+ 9.78
Miscellaneous	144.40	+ 2.41	+ 1.70	<b>— 3.66</b>
Raw Materials	170.71	+ 2.69	+ 1.60	+ 2.07
Service	202.94	+ 5.07	+ 2.56	+ 16.42
Utilibes	158.06	+ 0.48	+ 0.30	<b>— 5.28</b>



#### **AMEX**

Tuesday's 4 P.M. Close The 200 most traded stocks of the day, up to the closing on Wall Street. The Associated Press. 

## Technology Issues Fuel Wall Street Rally

NEW YORK - Technology companies led stocks higher Tuesday as Wall Street kept its momentum after a strong rally on Mon-

day.

Tame inflation — as shown by the consumer-prices report released Tuesday - and steady U.S. growth will holster earnings and share prices in coming months, some ana-

The Dow Jones industrial average rose 139.80 points, or 1.6 per-cent, to 8,714.65, adding to the 150point advance made Monday. Advancing issues outnumbered declining ones by a 2-to-1 ratio. The Standard & Poor's 500-stock index rose 17.53 points to 1,101.20.

U.S. bonds were little changed after Federal Reserve Board officials voted to leave interest rates unchanged, a signal they expect turmoil overseas to curb U.S. growth and keep inflation at bay.

LOS ANGELES - Dreamworks

SKG is finally living up to the repu-

Four years after being formed by

three of the most powerful people in

Hollywood - Steven Spielberg, the

director, a former Walt Disney Co.

executive, Jeffrey Katzenberg, and a

music mogul, David Geffen — the company has its first big hits. "Sav-

ing Private Ryan" has taken in \$126

million in the United States and

Canada in four weeks, while "Deep Impact" has grossed \$305 million

hooed debut the three partners

quickly discovered how hard it can

be to build a studio from the ground up, even with the financial support of a billionaire, Panl Allen. Its first

'Amistad,' were box office disappointments, and it still hasn't

found a permanent home. Now,

hudget action movie and a Spielberg

"The studio may be in its infancy, but the three principals involved

have been successful separately and now they're successful together."

said Roh Friedman, deputy chairman of Viacom Inc.'s Paramount

Dreamworks, moreover, has

more promising movies in its

recently pushed up the release date

U. S. STOCK MARKET DIARY

After Dreamworks' much bally-

"The Peacemaker" and

tation of its founders.

worldwide.

movies.

Pictures studio.

year Treasury bond fell 5/32, to 99 5/32, pushing its yield up to 5.56 percent from 5.54 percent.

The Nasdaq Composite index jumped 37.05 points, or 2 percent, to 1,855.09. Hewlett-Packard, IBM, Intel and Compaq were among the computer-related stocks

#### U.S. STOCKS

that rose. Microsoft shares rose 3 15/16 to 11114.

Apple Computer shares continued to rise, gaining 1/2 to 42 9/16, amid optimism over strong sales of the new iMac personal computer.

Stock in both Sun Microsystems and Lucent Technologies rose after the biggest maker of computer workstations and the No. 1 maker of phone equipment in North America agreed to develop hardware and software to let users send and receive e-mail, voice mail and faxes

from next March, putting the movie about a colony of ants before the

November release of "A Bug's

Life" from Walt Disney Co. and

ney's bread-and-hutter animation

husiness on other fronts as well. The

company will release "The Prince

tale, in December, in time for the

busy holiday season. The film is

works," said Barry Hyman, an ana-

"The tide is turning for Dream- cades."

Dreamworks is attacking Dis-

rose 21/s to 891/s.

Yahoo! stock rose 51/4 to 971/4 after the No. 1 Internet search engine said it introduced Yahoo! Clubs, which allows clubs and organizations to create a Web page for

Spyglass shares rose 1 11/16 to 12 15/16 after Motorola licensed the company's technology for putting Internet browsers in cell phones and other devices.

SkyTel Communications soared 5 to 18 % after the company, which operates the only nationwide advanced messaging network, signed op AT&T to resell its services.

Other computer-related compa-nies rallied as investors speculated that the industry, beset by cost-cut-ting and an inventory buildup this year, will post healthy profit growth

coming quarters.
Home Depot rose 1 15/16 to 44%

It has not been a spotless record

for Dreamworks, though. The

lackluster performance of its first

movies led some analysts and in-

dustry executives to question the

company's ability to become a ma-

ginable, even if you have a Steven

Spielberg," said Robert Broadwa-

dio being started in lots of de-

Dreamworks is teaming up with

Starting a new studio "is one of

jor force in Hollywood.

The price of the benchmark 30from any personal computer or teleafter the largest U.S. retailer of
phone. Sun rose 11/4 to 49-16; Lucent home-improvement supplies said its second-quarter profit rose 30 percent, about as expected.

Strong home sales boosted demand for bathroom fixtures, tools, wallpaper and plants, the company

Bank stocks gained for a second day. Analysts said the recent drop in bank stocks may have been over-

"It's just an incredibly favorable environment for stocks," said Robert Robbins, a market strategist at Rohinson-Humphrey Co. in Atlanta. "The Fed has successfully, over a long period of time, crushed inflation.

Inflation erodes the value of fixed-income securities, pushing interest rates higher. That, in turn, hurts corporate profits by raising borrowing costs for businesses and cutting into demand from con-(Bloomberg, AP)

# New Pledges Of Support Bolot Bolster Yen

Compiled by Our Sadf From Disputcher NEW YORK - The dollar fell against the yen Tuesday after Jap-anese officials repeated pledges, that the government would sell dol-

lars to support the yen. Concern over Japanese intervention was fueled by rumors that the Bank of Japan had sold in excess of \$1 billion worth of U.S. Treasury notes in preparation for a new wave

#### FOREIGN EXCHANGE

of intervention. Central banks typically sell government paper to finance their interventions in the currency markets. Dealers said the intervention worries overshadowed the market's more fundamental concerns about the economic and financial fragility of Asia.

The dollar was quoted at 4 P.M. at 144.850 yen, down from 145.935 on Monday.

The dollar climbed to I.8018

Deutsche marks from 1.7943 DM after the Bundesbank issued a monthly report that said the inflation: outlook in Germany was "favorable," a suggestion that the central bank will not raise interest rates any time soon.

Higher rates would benefit the mark hy boosting the return on mark-denominated deposits and bonds, Currently, three-month dollar deposits pay 5.56 percent, compared with 3.5 percent on similar mark deposits. Meanwhile, U.S. Federal Reserve policymakers left the target rate for overnight loans between banks unchanged at 5.5 percent.

Against other major currencies, the dollar was at 6.0390 French francs, compared with 6.0145 on Monday. It rose to 1.5103 Swiss francs from 1.5060. The pound rose

(Bloomberg, Bridge News)

#### Federal-Mogul to Buy Auto-Parts Units

After Sluggish Start, Dreamworks Is on a Roll

for its animated "Antz" to October films in a row, and this gets them off from next March, putting the movie to a good start."

of Egypt," a retelling of the Moses the most daunting challenges ima-

widely viewed as the creation of Mr. ter, entertainment analyst at invest-Katzenberg, who belped guide Disment banking firm Veronis, Suhler ney's return to animation with "The & Associates." There hasn't been a

Lion King" and "Aladdin" when single successful story of a real stu-he was studio chief there.

C. Associates. There has a feet a

lyst for Ehrenkrantz King Nuss- some of the more established stu-

baum Inc. "If they want to be a dios to help finance its films, in-

major power, they need a few strong cluding partnerships with Viacom

Bluomberg News

SOUTHFIELD, Michigan — Federal-Mogul Corp., in its third acquisition this year, agreed Tuesday to buy Cooper Industries Inc.'s auto-parts units for \$1.9 billion to add Champion spark plugs and Anco

wipers to its line of engine parts.
Federal-Mogul shares rose \$7.94 to \$63.44 after the company said it would acquire Cooper Automotive and Moog Automotive to gain about \$1.9 billion in annual sales.

Cooper is leaving the business to focus on more profitable electrical products and hardware units.

Auto-parts makers are buying and selling units as they come under pressure from automakers to deliver entire systems rather than in-

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on "Saving Private Ryan" and "Deep Impact," and with Seagram Co.'s Universal Studios on "Small Soldiers." Those agreements allowed Dreamworks to limit its investment and risk should the movies underperform.

Dreamworks, for example, is distributing "Deep Impact" overseas, while Paramount is distributing the film in the United States and Canada. The studios will share what's left of

box office revenue after theaters take

their roughly 50 percent cut. Mr. Allen, the supporter, who is a Microsoft Corp. co-founder, re-cently boosted his stake in the company to 24 percent by buying half the shares owned by a Korean firm. Cheil Jedang Corp.
With all that going its way,

Dreamworks better hope the hits to \$1,6166 from \$1.6160. keep on coming.

#### **Hewlett Profit Lifts Shares**

PALO ALTO, California — Hewlett-Packard Co. shares rose

sharply on Tuesday after the com-puter company reported earnings for its third funancial quarter that bear money in the third quarter after losanalysts' diminished expectations. Hewlett-Packard shares rose

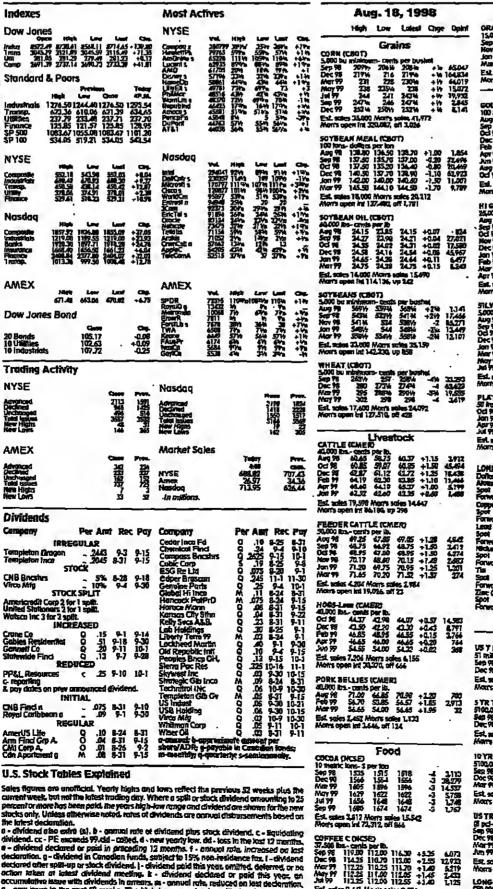
\$1.625 to close at \$56.875. changed from \$617 million a year

earlier. Sales rose 5 percent, to \$10.98 billion: The company said that PC prices

ing money in the second quarter. Despite the gain Tuesday, the,

stock is down about 30 percent from Late Monday, Hewlett-Packard May 13, before Hewlett-Packard said it carned \$621 million in the said second-quarter profit would be carried over into the third quarter.

#### INTERNATIONAL FUTURES



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#### **EUROPE**

# Devaluation Undercuts a Russian's Dream

By Michael Wines -New York Times Service

MOSCOW - The de facto devaluation of the ruble and reschedul marks than it would have Monday ing of government debt on Monday morning, before devaluation was is supposed to save the Russian gov-announced. "I'm simply in shock," ernment from financial ruin.

Then there is Valeria Yan, who is don't know what's going to happen

apartment for themselves and their less from now on. 10-year-old son so they could get The harder questions, however, away from the tiny one they share are where the value of the ruble will with two parents.

She gave up teaching for a dull most hunt by the change. but more lucrative job, routing tele-\$300 a month.

Her husband, a welder, seldom but they managed nevertheless to put away several thousand dollars' worth of rubles.

Monday afternoon Mrs. Yan was. going to the currency shops that glut Moscow's Arbat, conversing her rubles into Deutsche marks at a rate would buy a dollar in six months -

Interpret

**[]**:

 $\mathcal{A}_{\mathcal{G}_{\mathcal{L}}}$ 

exorbitant. By her calculations, the family nest egg bonght one-third fewer she said. 'I'm doing this because I

not going to be let off so easily.

Two years ago. Ms. Yan set a goal to raise \$24,000 so she and her busband could buy a two-room with everyone else's, will buy a lot apartment for themselves and their less from now on.

eventually settle, and who will be

.The government offered no hint phone calls for a paging service for in its announcement Monday, so millions of Russians are wrestling with the same dilemma: whether to actually gets his salary these days, convert their rubles into a stable currency — and suffer a big and immediate loss - or hold onto them and risk losing even more to devaluation and inflation.

Economists said there was no way to predict bow many rubles

that only hours before had seemed or in six weeks. Even controlled cash crunch on the street economy, nounced here can easily spiral be said.

down, out of control. Whatever the price, Russian con-Sumers could suffer most broadly because devaluation raises the prices of imports — and in Russia. about 50 percent of consumer goods and services are imported.

The share of imports has risen swiftly in everyday commodities like food, automobiles and household goods, where the availability of better-quality Western products has been among the few widely enjoyed benefits of capitalism - and one

that may now diminish. Some experts are already calculating that the banking and currency problems spell the end of a construction and business boom that has changed the Moscow skyline and created thousands of high-paying

"The average Russian hasn't felt it up till now," said Jesse Loeb, a trader in the Moscow office of Regent European Securities. "You're starting to see a major

devaluations like the ones an- and that's going to get worse now,

"You're going to see a lot of Mercedes 500s and 600s for sale. You'll be able to buy them for the price of a Nissan. Whoever's in possession of cash now is king."

some of them.

Exporters like the oil industry gain because devaluation makes ex- six months of the year. ports cheaper and thus more competitive.

Importers suffer, as would companies whose revenues are measured in rubles. Some sellers of expensive items

closed, perhaps out of confusion over what their goods were worth. And on the western edge of downtown, near the gingerbreadstyle station that serves trains to Belarus, an unemployed handyman named Kolys Nikolayev was competing with a nearby currency win-

dow, trying to buy dollars from waiting customers for resale at a

higher rate.

#### Ciba Reports A Loss and **Sets Layoffs**

Compared by Our Suff From Department

ZURICH - Ciba Specialty Chemicals AG said Tuesday it Devaluation has an upside, but would cut 1,100 jobs and may sell largely for corporations, and only one of its biggest units after it posted a net loss of 791 million Swiss francs (\$525.2 million) for the first

Ciba said the loss resulted from special charges, "primarily an ac-counting write-off of l billion francs, associated with the acquisition of Allied Colloids in March The company posted net profit of 172 million Swiss francs in the first half of 1997.

Operating income - profit before restructuring charges and research and development — rose 3 percent in the half, to 490 million francs, the company said. Sales rose 9 percent, to 4.29 billion francs.

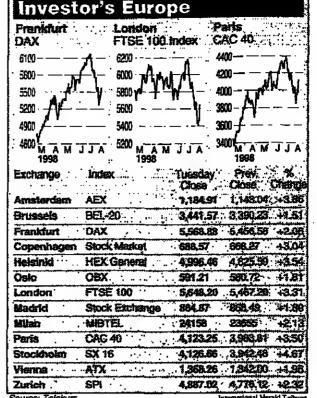
To improve earnings, Ciba

plans to cut 5 percent of its workforce and may sell its polymers unit. But the company said it would create a new colors division as the \$100 billion specialtychemicals industry consolidates. Ciba this year bought Allied Colloids Group PLC, a maker of water-treatment chemicals, for 3.6 billion Swiss francs.

'The difficult market conditions in Asia affected sales of all divisions," the company said, adding that sales in Asia would decline by 10 percent to 15 percent for the full

Eugen Melliger, a fund manager with Credit Suisse Asset Managecent increase in plant and equipment ment, said: "Specialty-chemicals companies remain interesting because they will continue to cut costs. Still, the Sword of Damocles of Asia is banging over them,

Ciba shares fell 25 centimes to



#### Very briefly:

• Friends' Provident Life Office, 8 major British mutual insurer, will buy London & Manchester Group PLC for £744 million (\$1.2 billion). The deal would combine Friends' Provident's £25 billion of assets with London & Manchester's £5 billion.

· Eurostat, the European Union's statistics office, said the iobless rate in the 11 countries scheduled to launch Europe's common currency, the euro, declined to 11.2 percent in June from 11.3 percent in April. Overall unemployment in the 15nation European Union fell to 10.1 percent in June from 10.2 percent in May. The statistics office said 17 million people were unemployed in the EU at the end of June.

• Ukraine's central bank raised a key interest rate by 10 percent in response to the financial turmoil in neighboring Russia that is putting pressure on the Ukrainian currency. The increase brought the lombard rate in 92 percent from 82

 Bertelsmann AG denied a report that its CLT-Ufa television and radio broadcasting unit is interested in buying some or all of CBS Corp., the U.S. broadcaster. Under to U.S. law, Bertelsmann, as a foreign company, would not be able to own more than a 20 percent stake in a U.S. broadcaster.

• Britain's public sector showed a surplus of £5.36 billion in July from a deficit of £6.11 billion in June.

 Italy's Andit Court criticized the Communications Ministry over the sale of the telephone company Telecom Italia SpA to private investors and for overall bad management of its

"I can wait for the next down- • Elf Aquitaine SA, France's largest oil company, and bined with a picup in demand has turn," said Mr. Piech, who bad said Texaco Inc., the third-largest U.S. oil company, wan Euro-Tg. AP. AFP

## Bundesbank Hints at Rate Rise in Course of '98

FRANKFURT — The economic ply growth in euro member comrecovery in the 11-nation European single-currency region is gaining in pace and breadth, the Bundesbank said Tuesday, while hinting it may . Bundesbank will start thinking in raise rates at least once before the end of the year.

A rate increase this year would A rate increase this year would said Michael Schnbert of Com-not affect the economies in the merzbank in Frankfurt. "The single-currency region for one to money supply growth in the euro-But it added that price stability two years, the German central bank land exceeds German levels and had largely been reached in the

said in its monthly report The comments confirmed expectations that Germany, France, Bel- ate. gium, Austria and Netherlands may lift rates to slow inflation and ensure ing council reconvenes on Thurs- 3.1 percent in 1999, Economics highlighted in a narrowing trade sur- 168 Swiss francs on Tuesa smooth transition to a single euro day, the bank issued its August Minister Guenter Rexrodt said. The plns in June. (Bloomberg, Reuters) day, interest rate for all member states.

"They are definitely keeping the door open for a rate increase later this year," said Stefan Bergheim, an economist at Merrill Lynch & Co.

The euro is expected to start Jan. 1 with short-term rates of 3.5 percent to 3.7 percent, according to expectations reflected in interest-rate futures. The benchmark German short-term rate is 3.3 percent, while in Italy, it is at 5 percent,

The Bundesbank said money sup-

watched closely in coming months. "In the fourth quarter, the European terms and will increase the repo rate by 30 basis points." therefore I see a slightly higher rate eurozone. level for the euroland as appropri-

Two days before its policy-mak-

WOLFSBURG, Germany -

31.75 77.00 74.00 71.00

Jakarta

monthly report, which singled out effect of shrinking Asian economies Italy, Ireland and France as econ- and depreciation of the Russian tries was accelerating and would be omies whose money supply was ruble will be limited, be added. growing at a faster pace.

The Bundesbank also said the recovery in the 11 euro member countries had continued briskly since the beginning of 1998 as strengthening domestic demand offset a slight decline in export growth.

Germany, Europe's biggest economy, will expand 2.9 percent this for a third of total economic output year and by between 3.0 percent and

The 11 economies switching to the euro in January expanded 0.7

percent in the first quarter, revised figures from the European Union's statistics office showed Monday. Growth was driven by a 2.1 per-

But it added that price stability investment and a 0.7 percent rise in consumer spending. Slowing export growth in the Germany economy, which accounts

in the monetary union area, was

(Bloomberg, Bridge News) VW Says It Will Wait for Slump to Buy Truckmaker but Will Develop Vehicles Itself

High Low Close Pres

#### **WORLD STOCK MARKETS** Tuesday, Aug. 18 ndbrg 3 71500 890007 2 8 52000 49000 dksk 8 957.39 902.34 1175 1130 nosk 8 725 645.50 nosk 8 650 605 Daily prices in local currencies. Amsterdam Frankfurt Adidos Alliona Aziona Audi

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London

Capital. VW said it had considered many, another reported candidate, own brand by 2010.
"We will expand into the heavy Volkswagen AG, the largest car- truck market, independent of wheth- the truck division of Renault SA, sale, maker in Europe, says it is waiting er we buy or form cooperations with though takeover speculation comfor the next slowdown in the in- another company," said Ferdinand bined with a picup in demand has turn," said Mr. Piech, who dustry to buy a heavy truck com- Piech, chief executive of VW, in an driven up their potential sale prices. earlier that VW was into pany and also plans to develop its interview with the German monthly The truck unit of MAN AG of Ger- expanding

High Low Close Prev

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## Indonesia Set to Restructure 6 Debt-Ridden Banks

By Michael Richardson International Herald Tribune

expected to announce restructuring plans Friday for six of the nation's biggest and most troubled banks in a womies about bad loans move to revive confidence in In- and bad management in

donesia's crippled banking sector. The six banks owe much of the 146 trillion rupiah (\$11.34 billion) in loans made by the central bank over the past year to shore up the financial system as panicky depositors withdrew their funds out of fear that the banks, some of which were connected with the ousted regime of number of banks through closures

The past year to shore up the largest and most heavily indebted banks was part of plan to clean up the financial system and substantially reduce the number of banks through closures

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The past year to shore up the largest and most heavily indebted banks was part of plan to clean up the financial system and substantially reduce the number of banks through closures. President Suharto, would be closed and mergers. or collapse.

banking services in an economy where trade and business have been severely curtailed by lack of credit, the central bank, Bank indonesia, is modified with foreign auditors to bank a service in an economy described and business have been severely curtailed by lack of credit, the central bank, Bank indonesia, is going any recapitalization plan for the service and the reportion and the repo working with foreign auditors to banks raise major questions about Equity and assets at banks are give more than a dozen private who will foot the bill and where the being wiped out by loan defaults banks a "seal of financial health," officials said Tuesday.

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The aim is to establish their fi- and senior financial analyst in the by the end of 1998.

nancial credentials and help them regain access to trade finance and lines of credit from foreign banks.

Hong Kong office of Moody's Integral access to trade finance and lines of credit from foreign banks.

Bank Indonesia has now been estimated to control about 70 percent timated to control about 70 percent of the assets in the overall banking timal Monetary Fund to help the

the country's banking Officials said that the

But the scale of bad debts in the In a separate move to restore banking system, the shortage of domoney will come from.

IAKARTA—The government is since January, letters of credit is recapitalizing the banks could system after providing more liquid country through its economic space for six of the solid system after providing more liquid amount to 200 trillion repair ity credits to banks than they can crisis.

In his first state-of-the-nation adbeen accepted abroad because of more than the government's entire afford to repay.

Major questions are raised about who will foot the bill and where the

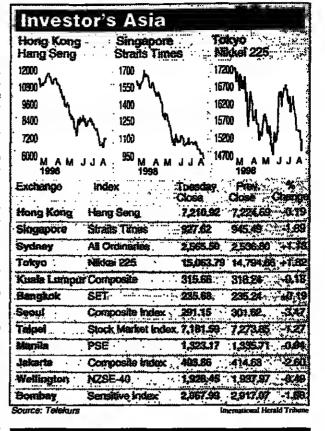
The World Bank has estimated

rently has 67 banks under its care. that some analysts estimate will rise Deborah Schuler, a vice president as high as 75 percent of total loans

A statement on the fate dress on Saturday, President B. J. of the six banks, which are Habibie said that one of his top being run by the Indone- priorities was to restore confidence sian Bank Restructuring in the battered banking system.

Analysts said that although international auditors had found the from Hong Kong, quoting six banks to be insolvent, the gov-a spokesman for a furn repfor fear of causing further bank

The six banks are Bank Dagang Nasional Indonesia, Bank Dana-J. Soedradjad Djiwandono, a mon, Bank Uoum Nasional, Bank former Bank Indonesia governor, PDFCI, Bank Tiara and Bank Modsaid recently that the closure of 16 insolvent banks in November had worsened the crisis in the banking The agency was set up by the government in January to take mansector. "The domestic reaction to agement control of weak banks, the closure of the banks ran contrary close those that are insolvent and to expectations," he said. "Ironrehabilitate the remainder. It cur- ically, a step taken to bring back confidence in the banking sector Restructuring the banking sector plunged it into further chaos and one of the major points in a reform resulted in a massive flight of capital is one of the major points in a reform resulted in a massive program promised by Jakarta in reout of their coffers.'



## Police and Strikers Ready For Showdown at Hyundai

By Don Kirk ol Herald Trib

and unionized employees of Hyundai Motor Co. hardened their efforts at bringing management stances Tuesday as the strike that has halted production at South Korea's largest automaker moved into its fifth week.

Thousands of policemen, armed with tear gas, shielded by padded uniforms, masks and helmets, moved in tight formations along the street running by the high walls of the main Hyundai Motor plant

Inside the gate, rows of workers, armed with steel pipes and fire extinguishers for combating tear gas, were getting in position for another severe showdown in the troubled history of union defiance of the Hyundai group, Korea's

largest chaebol, or conglomerate. "Fight to Secure Jobs," said the headbands worn by more than 5,000 workers as well as several hundred wives and children who have managed to prevent the plant. from producing a single vehicle

commanders barked orders to their will not take the chance."

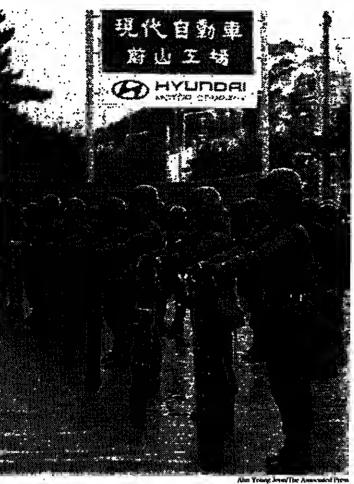
men and union members banged their steel pipes onto the pavement ULSAN, South Korea — Police of the compound just 100 meters away. The showdown represented the failure of frantic government

and union to terms. "Both sides have to think serionsly," said Labor Minister Lee Ki Ho after futile talks between the chairman of Hyundai Motor and the leader of the union. "Both have" not changed their position."

At stake is the question of whether companies can lay off workers in accordance with requirements set by the International Monetary Fund in piecing together a loan package of nearly \$60 billion last December.

While hundreds of small and medium-size enterprises have gone out of business this year, forcing hundreds of thousands of people out of jobs, only Hyundai Motor, trimming down a payroll of 46,000 workers, has laid anyone off. Everyone is watching to see

whether Hyundai Motor can do it," said Hwang Lim; a manager at Hyundai Heavy Industries, the ince July 13. shipbuilding giant. "If Hyundai Motor can do it, others will also. If into the evening Tuesday as pobce Hyundai Motor fails, then others



South Korea riot police guarding the entrance to Hyundai Motor in Ulsan on Tuesday where a strike has entered its lifth week.

### Jobless Rate **Jumps** in Hong Kong

HONG KONG - Hong Kong's unemployment rate jumped to a 15year high of 4.8 percent for the three months to July, officials said Tues-

The figure compared to a revised 4.4 percent unemployment rate in the three mooths to June, the Census and Statistics Department said.

The latest unemployment figure is the bighest level in the territory of 6.6 million people since May 1983, when Hong Kong unemployment

hit 5 percent. A government economist, Tang Kwong-yiu, said unemployment economic downtum, and there was

no sign of relief in sight.
"We don't see any imminent signal for improvement in the unemployment rate," Mr. Tang said,
"Much will depend on how the economic situation in the region un-

folds in the next few months. Meanwhile, government and speculators were in an uneasy standoff Tuesday following the monetary authority's unprecedented intervention in the markets, which sparked for potted plants. fears of an end to the territory's free-

market philosophy.

The Hang Seng index shed 13.77
points to 7,210,92, after a long

LABOR: Targeting Tourism weekend that followed a stunning

engineered by the government. On Tuesday, the government ated thousands of jobs, few Labor Statistics. stocks for a second day as hedge funds prepared to cast new bets against the city's currency, the last in Asia tied to the dollar.

The government bought about 1.3 billioo Hoog Kong dollars (\$167.8 million) of stocks that are included in the Hang Seog index in order to the 50 or so supervisors work force, be noted, is over-burt funds that sold equities while \$30,000 to \$45,000. But the whelmingly black and Histrying to break the Hong Kong dollar's peg to its U.S. counterpart, traders said. Hong Kong bought \$3 billion on Friday, when it entered

the stock market in an unprecedented move to safeguard its currency. As the government stepped in again, Hong Kong interest rates rose and the Hong Kong dollar held fast. The government's threat to wield

its \$96 billion of currency reserves held some investors at bay Tuesday. Few company executives or investors, however, said that the Hong Kong currency was out of the

William Kaye, senior managing director of Pacific Alliance Group Ltd., and other executives said Hong Kong's strategy may backfire be-cause it is likely to encourage more people to bet against the Hong Kong dollar. (Reuters, AFP, Bloomberg)

#### Very briefly:

· Motorola Inc. plans to sell two Singapore plants that make printed circuit boards to WUS Printed Circuit Co. of Taiwan for an undisclosed price. WUS said the two plants had \$51.8 million in sales in financial 1997.

• Telecom Corp. of New Zealand Ltd. said profit in the quarter that ended June 30 rose 1.1 percent from a year earlier, to 190.1 New Zealand dollars (\$95.2 million), as mobilephone and enhanced-network services showed gains.

 Toshiba Corp. and Hitachl Ltd. of Japan plan to join forces with General Electric Co. of the United States to develop, boild and market nuclear power plants, the Kyodo news agency reported. No officials at the companies were immediately available to confirm the report.

day, adding that there was oo end in sight to the territory's economic woes.

• TDK Corp. said pretax profit for the quarter ended June 30 rose 3.1 percent from a year earlier, to 22.5 billion yen (\$154.2 million), as sales increases in Europe and the Americas offset a decline in Japan.

• Long-Term Credit Bank of Japan Ltd. denied a report by Jiji Press that it would write off 255.6 billion yen (\$1.75 billion) in loans to a troubled affiliate, Japan Leasing Corp.

 PT Indocement Tunggal Prakarsa, one of three big cement companies in Indonesia, said it was looking for foreign partners to increase its exports and strengthen the company's financial position.

 Korea Telecom Corp. plans to spend \$198.7 million to launch a satellite for television service next August, replacing was being pushed up by the severe two previous satellites. The new satellite is being designed and manufactured by Lockheed Martin Corp.

 Keppel Bank Ltd. of Singapore said first-half profit fell 41 percent, to 29 million Singapore dollars (\$16.5 million) as it lifted provisions for bad loans in Asia. · China's total number of mobile-phone subscribers has

doubled in the last 13 months to more than 20 million, the

official Xinhua news agency said. Toyota Motor Corp. and Nissan Motor Co. said they had made payments to the same alleged corporate racketeers who have been arrested on suspicion of extorting money from Japan Air Lines Co. under the guise of receiving payments AFX, AFP, Bloomberg

## **Japan Names Panel to Advise on Crisis**

t named 10 business léaders - Asahi Bréweries Ltd and scholars on Tuesday to advise

The group, called the Strategic December for pulling Japan out of

sagging economy.

Business executives appointed to

JAKARTA — An Indonesian Su-

preme Court judge said Tuesday.

that the country's economic crisis

can be regarded as force majeure, a

legal condition in which contracting

parties may escape their obliga-

briefing on new bankruptcy laws,

said this might mean debtors and

vereditors would share the burden of

be considered as a force majeure as

The current economic crisis can

indonesia's weak currency.

The judge, who was speaking at a

growth.

Japan's economy shrank 0.7 perthe council included Hiroshi Okuda, cent in the fiscal year ended in president of Toyota Motor Corp., March, the first full year of eco-

gabean, one of Indonesia's several

jeure, an unforeseeable or uncon-

trollable event may excuse a con-

tracting party from fulfilling the

contract. A typical example is where

Supreme Court judges.

Jakarta Judge Says Crisis Recasts Debt

The Associated Press Japan's most profitable company, nomic contraction since 1974.

TOKYO — The Japanese gov- and Hirotaro Higuchi, chairman of The other businessmen chosen

The government of Prime Min- Masataka Ide, chairman of West Jathe government on how to revive the ister Keizo Obuchi has been under pan Railway Co., Toshifumi Supressure at home and abroad to do zuki, president of the retailer ltomore to boost economic growth. Yokado Co., Chiyooo Terada, pres-Economic Council, was asked to Mr. Obuchi has promised to cut ident of the moving company Art come up with a plan by the end of taxes and increase spending on pub. Corp., and Minoru Mori, president lic projects to spur economic of the property developer Mori Building Co.

The four scholars were Motoshige Ito, professor at the University of Tokyo, Sawako Takeuchi. assistant professor at the same university, Heizo Takenaka, professor at Keio University, and Iwao Nakatani, professor at Hitotsubashi University. The council is to hold its first

this thing has happened beyond the debtors' control," said H.P. Pang-meeting at the end of the month.

■ A Promise of Intervention

There were legal precedences Finance Minister Kiichi Miyaza-before the current crisis broke out wa said Japan would intervene to Finance Minister Kiichi Miyazawhich supported this stance," he prevent the yen from falling further said. News reported from Tokyo.

Under the legal rule of force ma-Asked after a cabinet meeting if there was the possibility that Japan would act to protect the yen from sharp falls against the dollar, Mr. military action makes the contract Miyazawa said there was "always" this possibility.

#### India Rupee Dips On Ruble Fears

NEW DELHI - The Indian rupee fell to a record low on Tuesday after Finance Minister. Yashwant Sinha expressed concern that the devaluation of the Russian ruble might burt India's trade with that country.

The dollar was quoted at 43.36 rupees on Tuesday, up from 43.17 rupees Monday. The dollar had risen as high as 43.3g rupees. Mr. Sinha said Monday that

Russia was an important trading partner and the devaluation could dampen India's exports and imports, the Economic Times reported. The finance minister said he was also concerned that China might devalue the yuan.

There was worry that the flow of dollars to India from Russia would be slowed as Moscow stopped payment of loans for a period of 90 days, analysts said. This is expected to hurt outstanding payments to Indian companies that export products to Russia, analysts said.

hotel with 1,000 rooms and 700 employees, the manager vast majority — the bousekeepers, waiters and kitchen prep workers - earn less than \$15,000 a year.

'lt's an industry where 5 percent of the people are chiefs and 90-95 percent are Indians," said Stanley Turkel, a hotel industry consultant.

Union leaders argue that the city's hotels can afford to pay more because the average room rate - \$104.96 per night, according to the Smith Travel Service — is by far the highest in the South and the fifth bighest in the nation, higher than the rates in Chicago, Miami and Washingtoo.

At the same time, housekeepers in New Orleans hobour on average, which is less us.'

8.5-percent rise on Friday that was Continued from Page 11 than in any major city, according to the Bureau of

rimate that at a New Orleans Orange, a Baptist minister who marched in Memphis with Mr. King and is working might earn \$120,000 to in the New Orleans campaign. \$150,000 a year, the five as- said the inequities were both sistant managers \$80,000 and economic and racial. The panic, while the managers are overwhelmingly white.

"The workers I saw in Memphis in 196g were better off than the workers I see bere in 1998," Mr. Orange said.

Several botel managers criticized the unionization effort and defended their pay scales, saying they were high enough to attract housekeepers and other workers.

Paul Tomey, manager of the 1,100-room Sheraton, which has a reputation for above-average pay, said, "We certainly want to make sure that employees get everything they need in working conditions and competitive pay. Bnt we'd prefer not to tels are paid less than \$6 an have a third party between

#### RUBLE: Russia's Devalued Currency Tumbles Swiftly

impracticable.

#### Continued from Page 1

The Russian stock market continued its long downward slide. The main Russian Trading System index fell 9 percent, to 99.58 on extremely limited trading. The Moscow-based financial

community was anxiously awaiting an expected announcement on Wednesday of the government's plans for rescheduling and restructuring its domestic debt in bonds known as GKOs, a key component of the package announced Monday. About three-quarters of the outstanding bonds are going to be con-

verted to new securities as the govemment seeks to give itself some breathing room. After the dramatic ruble anouncements, President Boris Yeltsin retreated to his suburban Moscow residence. His rivals in the downfall of the ruble would ruin lower house of Parliament, the people." Duma, sought to take advantage of the uncertainty touched off by de-

valuation and Mr. Yeltsin's conflicting statements. The president had promised as ecently as Friday that there would ported from Moscow. be no devaluation. On Tuesday, some critics warned that Mr. Yeltsio

had badly hurr his credibility. Gennadi Zyuganov, the head of the Communists, the largest bloc in

the Duma, told reporters: "Our president has been totally deval-

"The country has dramatically depreciated, in the ratings we are in the bottom 10, as the least stable and reliable state," Mr. Zyuganov added, again calling for Mr. Yeltsin's impeachment.

The Communist threatened major demonstrations this fall, but vows of such protests have failed to materialize in the Russian officials said they were

aware of the danger of reigniting inflation after the ruble had been allowed to float. Boris Nemtsov, a deputy prime minister, told journalists: "We do not intend to undermine the ruble. The government will not print

money. We know full well that a

■ Yeltsin Drops a Top Aide

Livshits, on Tuesday, Reuters re-

"He has been relieved of his duties in connection with his transfer to other responsibilities," a Kremlin spokesman said. Mr. Livshits offered his resigna-

The Interfax news agency, quotng a senior presidential source, said Mr. Yeltsin refused to accept resignation offers from Prime Minister Sergei Kiriyenko and the head of the central bank, Sergei Dubinin.

Russia's announcement of what sion. was in effect a devaluation of the ruble was an abrupt reversal of policy, intended to restore confidence in the faltering economy. Moscow also halted some foreign

debt repayments for a period of 90 Mr. Livshits, a 5 t-year-old economist, had served in a variety of pany in 1995. positions in the government in re-

"For six years I have worked with the president," Interfax quoted to be "the copier company," now Mr. Livshits as saying after sub-

mitting his resignation. Weltsin Drops a Top Aide

"I did everything for Russia I could. I probably share responsibility for what has been happening top economic adviser, Alexander on the financial markets. I could not protect the president and so I am stepping down."

ment of the state debt.

#### **BOWES:** Firm Adapts to E-Mail Age

#### Continued from Page 11

cent around here, but it's also a lot said Thomas Dolan, president of more exciting," said Patricia Rutledge, who has been at Pitney for 28 \$2 billion outsourcing arm. "Pitney years and is now director of operations for the small-office divi- want to get into mail, so the com-

Newcomers see the metamorpholonger see the online world as the enemy but as the vehicle for becoming a really broad-based messaging company," said John Kwant, a director of Pitney's internal con-

cent years, including posts as a and computers continue to diverge, and growing. deputy prime minister and finance all sorts of companies are trying to broaden their images.

Xerox Corp., for decades content touts itself as the "document-pro-Co. is trying to move out of its strategic planning, said.

picture-taking box to become the Companies continue to ing into one another's niches.

Thus, the new Pitney must go up Mr. Yeltsin named the tax col- against well-heeled, high-technollection chief, Boris Fyodorov, as a ogy competitors that want to handle resulted in substantially more mail, deputy prime minister responsible all their customers' document and not less," said Alexander Henderfor macroeconomics and manage- message-processing jobs - includ- son, an analyst with Prudential Seing mail.

"Of course we see managing mail rooms as a good opportunity, Xerox Business Services, Xerox's wants 10 get into documents, we

petition is going to be intense. That threat has not stopped ousis even more sharply. "People no longer see the online world as the buys on Pitney's stock. Small wonder. Pitney has had 14 consecutive quarters of earnings increases. That, combined with a hefty stock buyback program and a two-for-one stock split last year, has pushed its market capitalization, which was As the worlds of printers, copiers just \$7 billion to 1996, to \$15 billion

For now, mail is still a thriving business. "Sure, interest in the Internet is growing, but even America Online still sells its services primarily by mail," Robert Reisner, the cessing company." Eastman Kodak Postal Service's vice president for

Companies continue to funnel ad-'imaging company." And all the vertising away from television and newly defined companies are mov- print media into direct mail. often using mailing lists they pried from the Internet. "The Internet, despite e-mail, has

curities Research.

MAGNUM Ranked #1 by Micropal & WSJ Magnum specializes in blending different hedge fund strategies into funds of funds - saeking to provide investors with

of volatility. Results have included: the top-performing hedge fund of funds in the world for 1997 as ranked by Standard & Poor's Micropal the world's top-performing global aquity fund for

consistent long-term returns within given parameters

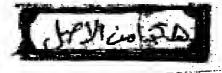
the 12 months through July 24, 1998 as ranked by The Wall Street Journal Europe and Asia. the top 5 performing funds of funds ranked by year to date returns as of May 31, 1998 as published in MAR/ Hedge, an industry journal tracking hedge fund performance, as well as the ten top-performing funds of funds in the world for April 1998.

the top-performing U.S. equity fund in the world for 1997; tha top performing aquity fund and the top performing UK equity fund in the world for 12 months ending April 1998, as ranked by Lipper Analytical Services. Magnum funds ranked 1st, 2nd and 5th in FT The International magazine's rankings of the best-performing actively hedged funds in the world for the last 3 years

through November 1, 1997. the top-performing multifund with a U.S. geographic emphasis for the 12 months through November 1997, as ranked by Lipper Analytical Services.

For more information email: magnum@magnumf.com or visit our web site WWW.magnumfund.com or fax Dion Friedland, Magnum (Bahamas) 1-242-394-3284





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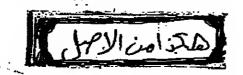
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## SPORTS

#### WORLD ROUNDUP

#### Battle Over Coach

soccer Marcelo Bielsa has accepted an offer to take over as Argentina's new national coach, but his Spanish club Espanyol said
Tuesday that it will not let birn go.
"Marcelo is the club's coach,

and although be wants to be the Argentine coach, for our part we aren't interested in a deal because the cluh needs him," said Daniel Sancbez Llihre, the Espanyol club

· Robert Jami, a Croatian international, has signed a three-year contract with Real Madrid, rejecting an offer to join the English Premier League's Coventry City. Jami's former club Real Beds of

Seville had agreed to sell him to Coventry, which says it also signed a contract with the player. Jami says he wants to stay in Spain for family reasons.

Real Madrid said it had agreed to pay 800 million pesetas (\$5,3 mil-lion) for Jami, but it is unclear whether it will pay Betis or Cov-

#### Pouget Banned for Drugs

SOCCER Cyrille Pouget, a striker with Le Havre in the French first division, was banned from soccer for six mooths Tuesday for taking anabolic steroids.

Traces of the steroid nandrolone were found in a sample given by Pouget after a match last Septem-

Pouget bas played three times for the French national team,

#### Big Contract for Alstott

FOOTBALL Mike Alstott became the National Football League's highest-paid fullback when he signed a five-year contract extension with the Tampa Bay Baccan-eers worth up to \$32 million. (AP)

#### Tyson Hearing Date Set

BOXING Mike Tyson will have a hearing before the Nevada Athletic Commission on Sept. 9 in his attempt to regain his boxing license. Tyson's license was revoked by the commission and be was fined \$3 million for biting Evander Holy-field's cars during a heavyweight title fight in June 1997. (AP)

#### Polish Gold Medalists Die

Two Polisb Olympic gold medalists were killed in a car crash, according to reports Tuesday.

Wladyslaw Komar, who won the shot put gold at Munich in 1972. and Tadeusz Slusarski, the pole vault gold medalist in Montreal in 1976 and silver medalist in Moscow in 1980, died when their vehicle collided head-on with another car late Monday in a rural area, said the PAP state news agency. (AP)

#### **England Reaches Final**

CRICKET South Africa won the battle but lost the war Tuesday, beating England in Birmingham but failing to reach the final of the triangular one-day tournament.

The visitors made 243 and then bowled England out for 230. Bnt England qualified for the final oo run rate. England had beaten Sri Lanka, and Sri Lanka had beaten South Africa. All three teams ended with one victory and one defeat, but England and Sri Lanka will meet in the final because they scored runs

faster than South Africa. Pat Symcox, who hit 51 off 39 balls and took two English wickets for 36 runs in 10 overs, was Man of

# WEDNESDAY, AUGUST 19, 1998 Rain Delay ara, and Vijay Singh. But for most to enticine resistore enticine resistore. Mickelson Wins Pebble Beach After Epic Rain Delay

By Clifton Brown

New York Times Service PEBBLE BEACH, California - It took Phil Mickelson more than six months to win the AT&T Pebble Beach National Pro-Am. But for a \$450,000 first-place check, plus a \$100,000 bonus for being the PGA Tour's top winner on the West Coast this year, it was worth

the wait Mickelson captured the rain-inter-rupted Pebble Beach event Monday, more than six months after it started. The tournament, shortened to 54 boles, was originally scheduled to end Feb. 1, before Mark O'Meara had won a major and long before Monica Lewinsky had appeared before a grand jury.

But when beavy rains washed out play on Feb. 1 and Feb. 2, tournament officials and the PGA Tour took an unusual step. Instead of the lourna-

ment's being canceled, as it was in 1996, play was suspended after 36 boles, and the third round was rescheduled for March 1, the day after the Nissan Open outside Los Angeles.

But it became obvious a few weeks before March 1 that the courses at Pebble Beach, drenched by El Niño, still would not be ready. So the tournament was suspended again until Monday, the day after the PGA Championship in Redmond, Washington, allowing players to fly from Seattle to California on Sunday night in time to play Monday.

All of that led to Monday's bizarre scene: players spread out over three courses, no grandstands, no television towers, a gallery not even one-fifth as

Yet, for Mickelson it was a great day to play 18. He shot a 5-under-par 67 at Pebble Beach to finish at 14 under par for the tournament, one stroke better

Poppy Hills. Jim Furyk, who shot a 68 at Pebble Beach, and J. P. Hayes, who sbot a 67 at Poppy Hills, finished tied for third at 12 under.

Mickelson, who won the Mercedes Championships in January, won \$771,450 on the West Coast this year. "Let me see if I got this right," said Mickelson, who captured his 13th ca-

recr victory at the age of 28. "Vijay Singh wins the PGA yesterday and wins \$540,000, and I just won \$550,000? It's a cool day. Indeed it was, but at least it wasn't

raining. Playing under the same lift, clean and place rules that were in place when the tournament began in January, the competitors were able to give themselves good lies even from the rough.

Of the 166 players eligible to return Monday, 133 came back. Among those who didn't were Tiger Woods, Mark

than Tom Pernice, who shot a 67 at O'Meara, and Vijay Singh. But for most purse was too enticing to turn down.

Mickelson clinched the victory by

making a birdie on the par-5 18th hole. hitting a booming drive, then hitting one of the best 2-iron shots of his career, which carried 221 yards to the front of the green. Mickelson 2-putted from there, and the victory helped make up for his disappointing finish at the PGA Championship, where he shot n 78 on Saturday and finished tied for 34th.

Finishing up a tournament six or seven months later, you have to findyour own momentum," said Mickelson. 'This should give me something to build on going into the later part of the

But the decision to suspend a tournament from winter until summer. caused enough controversy to force the tour to reexamine its weather policy.

## Maris's Sons Recall Stress of Record Chase He Was Threat to Ruth, Baseball's Icon

By William Gildea Washington Past Service

AINESVILLE, Florida - Two weeks ago, two of Roger Maris's sons met the man wbo for most of the summer bas led the chase after their father's cherished record of 61 bome runs in a season.

Phil Mickelson at Pebble Beach.

The Maris mark has stood for 37 years, even longer than Babe Ruth's sacred 60 that had been the most hallowed record in a sport of records. But Maris's 61 never has been threatened as it has been this season by Mark McGwire, Sammy Sosa and Ken Griffey.

The Marises' meeting with McGwire stirred memories both bitter and sweet. As McGwire took batting practice in Atlanta before his St. Louis Cardinals played the Braves. Kevin and Richard Maris observed the horde of media surrounding McGwire and understood what

the buge slugger meant recently when he revealed that he felt like "a caged animal" during his pregame cuts.
It was no different from the stress their father experienced in 1961, when even his hair fell out, leaving bald patches in his crew cut. "No one in any sport endured more pressure over a more prolonged period than Roger,"
Tony Kubek, one of Maris's teammates

on the 1961 New York Yankees, said the other day. Maris, who died of cancer in 1985 at the age of 51, was a plainspoken man from North Dakota who was only 26 when he broke the record of baseball's most mythical figure. Maris was introverted and unprepared for the tumult

that he unleashed. Now his sons could see the pressure building on McGwire. They liked him and empathized with him. "A really nice guy, a class guy," Kevin Maris

But just the same, the Maris family hopes Roger's record will remain in-

"Wouldn't you?" said Kevin Maris, 37. "I don't think anybody on Earth would want their record broken. I think anybody who bas a record would want to keep it. But wbether it's broken this year or next year or in five years or 10 years, we've enjoyed what dad accomplished in baseball.

The family, Kevin said, is not rooting against McGwire or the others; it wouldn't wish ill on anyone. "We're not obsessed," said Kevin, who played one season of Class A basebail and later pro golf on the smaller circuits.

But he usually knows before he goes to bed at night how each of the borne-run leaders did. He thought if his father were

alive, be, too, would watch TV at night for the results. "Dad would enjoy it," he said. "He would know what each of them is going through."

But while McGwire, Sosa and Grif-

fey enjoy almost universal support in their quest, many people rooted openly against Maris in 1961. Should bis record fall — Sosa hit his 47th homer of the season Sunday, tying McGwire for the major-league lead, five ahead of Griffey baseball officials await the opportunity to call attention to the sport with a celebration rivaling that given the Bal-timore Orioles' Cal Ripken in 1995 when he surpassed Lou Gehrig's num-

ber of consecutive games played. But as he pursued Ruth. Maris lugged a burden born of a popular notion that be threatened baseball's biggest icon. Who was Maris to come along and defile the

The Milwaukee Journal's Oliver euchle wrote after Maris hit No. 59: If the record is to be broken, it should be done by someone of greater baseball stature and greater color and public ap-

"Maris is colorless," Keuchle wrote.
"There just isn't anything deeply heroic about the man."

Within the Maris family, the words still hurt. Roger Maris Field is a manicured

diamond set amid trees on the grounds of a small private high school named Oak Hall. More than 20 years ago, Maris persuaded the Yankees owner George Steinbrenner to contribute \$25,000 toward its construction. Maris put down the sod himself. Today, Kevin Maris coaches baseball

there, "passing on to the younger guys" everything about the sport that he learned from his father.

Roger Maris was buried in his hometown of Fargo, in the snow and numbing cold of a December day. But few players not in baseball's Hall of Fame are remembered as often as Maris, especially during seasons when someone makes a run at his record.

His image, of course, remains ever vivid to his family, which has lived in Florida since the late August Busch, then owner of the Cardinals, gave Maris a beer distributorship on his retirement from baseball in 1968 after two seasons with the team.

"I look back and it's hard to believe that Dad did something no one else in the game did," said Kevin Maris, who looks remarkably like the father with his flattop and pale blue eyes.

'l remember like it was yesterday -dad laying the sod out here, breaking a good sweat," said the son, sitting in an in an expansion season such as this one,



Kevin Maris, son of the man who set baseball's home run record, coaches on the field named after his father. .

Oak Hall dugout on a hot, humid afternoon. Looking out on the field, he remembered his father as an all-around player, an excellent outfielder and base

Maris — 6 feet, 205 pounds, sturdily built and gifted with a compact, slightly uppercut left-handed swing — preferred to go about his work and be left alone. He was not particularly articulate. Reporters pinned him against his locker before and after games, seeking some response, preferably something new, even as he wished futilely that what he did on the field spoke for him.

Then, too, many preferred that Mar-! is's glamorous teammate, the switchhitting Mickey Mantle - Joe DiMaggio's successor and a certain Hall of Famer - break Ruth's record if it had to

ven other Yankees favored Manile, who baned fourth, behind Maris. "All the teammates were for Mickey to break the record," said former second baseman Bobby Richardson, who lives in South Carolina. A lay minister, Richardson delivered the eulogy at Maris's funeral and spoke at Mantle's

"Mickey was thought of as the 'true' Yankee. Roger had been traded in from Kansas City. I think Roger understood. He was an unusual ballplayer. He didn't care about individual bonors.

Maris started slowly in 1961, hitting only three home runs through May 16. But over the next 38 games he hit 24. He sought no record but once it became apparent that a record was possible, he anied it.

He connected off good pitchers and.

some who were marginal. The more he Frick's prescribed deadline. Maris did, it seemed to him, the more was wanted from him. He grew increasingly

Maris withstood heartache, and sioner, struck at his soul. Frick, who had been a friend of Ruth's and once was Ruth's ghostwriter, ruled in July 1961 that Maris would have to break 60 in 154 games to set a record; if he did it later in the new 162-game schedule, an asterisk would be added. Maris felt the weight of opinion against him; it's still felt by his wife, Pat, their six children, his mother and his older brother.

But there's solace in this season, Kevin Maris said that because McGwire and the others have raised awareness about the difficulties involved in breaking the record, "I think there is understanding now about what it took to do what Dad accomplished in 1961."

On July 25, Maris hit two home runs in each game of a doubleheader against the Chicago Wbite Sox at Yankee Stadium. That gave him 40.

In September, the Yankees, one of the best teams ever, finally opened some distance from the persistent Detroit Tigers to all but end the pennant race. Then, Mantle was knocked out of the home-run chase. Suffering flu symptoms, he received a shot from a doctor that resulted in an abscessed hip. Mantle could barely twist and swing a bat after that. Maris was on his way to the record.

Maris hit No. 59 in Baltimore off Milt Pappas on Sept. 20.

During the series, the Yankees played their 154th game. Orioles Manager Luman Harris brought in the Hall of Fame knuckleballer Hoyt Wilhelm to pitch to Maris in his last turn at bat within

tapped back to the mound against a pitcher he always found difficult. Afterward, Maris humbly told report-

ers that he had done his best and if all he more: Ford Frick, then the commis- merited was an asterisk, so be it. But there were more games; Maris kept swinging. Maris hit No. 60 at Yankee Stadium on Sept. 26, in the 159th game. On Oct. 1. Maris hit No. 61, also at Yankee Stadium, off Boston's Tracy Stallard in

the 163d game. It didn't get easier in later seasons. In 1962, he could not live up to expectations of another record-breaking season. Still, he averaged 35 home runs and

100 RBI for five years through 1962. In 1963, he was often injured, the result of playing hard. But in 1964, he rallied for 26 home runs and 71 RBI. In 1965, he suffered a critical injury. Sliding back into second base, Maris broke; his wrist. That, said his son Kevin, robbed him of his power."

Roger Maris grew alienated from the-Yankees because they played down the' injury, leaving him to struggle with it... They showed him even less courtesy two years later.
"The Yankees traded him without

telling him," Kevin Maris said. "He had been considering retiring. But instead of leaving the Cardinals on the sbort end, he said he'd play two years."

The Cardinals twice went to the World Series, winning in 1967.

Maris, happy at long last, did well— nine homers, 55 RBI and a .261 batting average in '67. "Dad went back to playing his game," said Kevin. Eventually, baseball made official

what almost everyone knew, that Maris was the sole record holder with his 61 homers, no asterisk needed.

## **New England Rolls Over** Cowboys, 21-3

MEXICO CITY - New England found its missing offense and maybe a running back, Mexican fans got a glimpse of their hometown bero, Marco Martos, and the Dallas Cowboys continued to sputter.

A crowd of 106,424, the secondlargest in National Football League history, saw New England roll over the Cowboys, 21-3, Monday night behind the running of Sedrick Shaw and the passing of Drew Bledsoe.

Dallas dropped its third straight preseason game following five consecutive losses at the end of 1997.

For New England, the second-year running back Shaw fought for 50 yards on 14 rushes in two quarters and scored touchdowns from 9 and 1 yards out. Another 4-yard touchdown was called back on a penalty. The Patriots' quarterback, Drew

team's new short-drop system, going 9of-14 for 69 yards. The Cowboys' biggest cheers went to Marios, a product of the Mexican university league who played the last two

Bledsoe, also seemed to click in the

seasons for Barcelona in the NFL Europe League.

Coming in with about a minute left, the Mexican receiver caught two balls



Peyton Manning of the Indiana Colts being sacked in preseason.

for 19 yards but dropped another, Colts 30, Bengals 27 Payton Manning, the first pick in the NFL draft, led Indianapolis to 23 points in the first half

as the Colts beat Cincinnati. Manning completed 5 of 11 passes for 112 yards in the half and threw a 12yard touchdown pass to Marvin Harrison. He looked much sharper than in his pro debut — a loss to Seante.

## As Yankees Roll On, Streaking Orioles Edge Twins

The Associated Press

The New York Yankees may be heading for a record-breaking season, but since the All-Star break the bottest team in baseball has been the Baltimore Orioles.

The Orioles beat the Minnesota Twins, 3-2, Monday in Baltimore and the rookie Richie Sexson was 3-for-4 are 28-8 since the break. The victory

#### BASEBALL ROUNDUP

closed the gap between the Orioles and the Boston Red Sox, who occupy the American League wild-card spot, to 61/2 games. The Orioles once trailed Boston by as many as 151/2 games.

'it's pretty much like facing the Yankees - they make you throw good pitches, said LaTroy Hawkins, the Minnesota pitcher, after facing the Orioles. "You're not going to strike out many of their guys because they have a lot of professional hitters over there.' Scott Erickson (13-9) allowed two runs and seven hits in seven innings and

Harold Baines drove in two runs for the Orioles.

matched his career high with 10

Yankees 7, Royals 1 Meanwhile, the Yankees continued to roll with a victory in Missouri. David Cone became the first 18-game winner in the major leagues, and Tino Martinez, Tim Raines and Bernie Williams homered. Cone (18-4) allowed the one run and

five hits in seven innings, and Chili Dav-is returned from the disabled list with a

run-scoring single. Davis had not played

since the second game of the season. The Yankees are on pace to break the 1906 Chicago Cubs' record of 116 vic- Moyer (10-8) beat Detroit for the thirdtories. They have an outside chance of clinching their division before the end

of August Indians 4, Devil Rays 3 In Cleveland with his first major league homer and two runs batted in as the Indians beat Tampa Bay to win for just the 18th time

in 38 games since the All-Star break. ers 3, Tigers 1 In Seattle, Jamie doubled twice. Griffey, who leads the major leagues

with 72 extra-base hits, was 2-for-4. striking out and flying out.

Angels 7, White Sox 2 in Anaheim, the rookie Chris Pritchett drove in four runs and Phil Nevin bit a two-run homer as

But the 6-foot-10 ace was nowhere

mound that had been covered during an

all-day rain. He gave up Byrd's run-

scoring single in the second inning and a

two-run homer to Scott Rolen in the

Anaheim beat Chicago and won for the

seventh time in nine games.

Steve Sparks won his fourth straight time this season, and Ken Griffey Jr. decision in spite of giving up consecutive homers to Frank Thomas and Al-

bert Belle in the fourth. Blue Jays 4, Athletics 2 Jose Canseco. a former Oakland player, broke a fifth-inning tie with his 33d homer as visiting Toronto won: Kelvim Escobar won as a starter for the first time.

## A Journeyman Outpitches Astros' New Ace

against the Phillies.

miles per hour.

The Associated Press

PHILADELPHIA - Looking like the ace not the journeyman, Paul Byrd outpitched Randy Johnson and also lined a run-scoring single off the Big Unit as the Phillies surprised Houston.

That was probably the best game Byrd ever pitched and probably not the best game Randy Johnson ever pitched, said Larry Dierker, the Astros manager. Byrd, claimed off waivers three days earlier, had spent almost the whole sea-

son in the minors. Facing the top-scoring offense in the National League, Byrd threw a fourhitter - all singles - and did not permit a runner past first base Monday. The 27ear-old right-hander struck out six and walked one for bis first major league win since last Sept. 18 for Atlanta.

While Byrd (1-0) breezed, Johnson

struggled. Johnson (3-1) had over-

Johnson left after the fifth, trailing 3-0 after allowing six hits and four walks with just three strikeouts. In his previous 25 innings for the Astros, he had walked.

four and struck out 33. majors this season, making an ineffect- Andy ive relief appearance for Atlanta on start.

powered the NL since being traded by Seattle on July 31 and was coming off Friday after going 5-5 at Triple-A Richtwo straight shutouts, including one

mond in Virginia. With the fans standing and cheering,
Byrd recorded the final out on Moises close to his usual, dominant self after Alou's foul pop to Rolen at third. Rolen rushed to Byrd, handed him the ball and gave him a big hug.

striking out the leadoff man, Dong. Glanville, on a fastball clocked at 96 "I was almost in tears at the end of the Johnson seemed uncomfortable on a game," Byrd said. The Braves cut Byrd last week to make room on the roster for the reliever Norm

Charlton. The Phillies signed Byrd only because of injuries to their rotation.

Byrd, 7-6 in 87 previous games in the majors with Atlanta and the New York Mets, started on a shaky note, knocking off his hat during his first warmup pitc

backs 6, Expost in Phoenix. Byrd had pitched only once in the David Dellucci hit a three-run triple, and Andy Benes won his fourth consecutive

and having to stop in mid-motion.

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#### **SPORTS**

## A Meaningless Cup May Mess Things Up Schedule Plays Havoc With Real Leagues

The state of the s

By Rob Hughes International Herold Tribune

ONDON - A Prediction: In the final month of this year a spate of top soccer players will check into clinics for essential surgery.

How do I know? Because if they

don't, if they are fit, they will be com-pelled to play in the FIFA's Confederations Cup, a tournament that will

#### WORLD SOCCER

include Brazil and France, at high altitude in January. Clubs who pay their stars upward of \$50,000 a game are powerless to resist the order to release them even though this is a critical time of the league season, even though their athletes have already labored this sum-mer through the World Cup.

Most players, particularly those whose limbs and lungs are overplayed, are running on worn joints and can do with a spot of swigical plumbing here or there. So it would be quite reasonable for the clubs to decide that late December is the time to operate. That, after all, is a month of rest for soccer in some European countries.

The clubs, anyway, are spitting blood. FIFA, the governing body of world soccer, has given the Confederations Cup full status, meaning that the coaches of the eight national teams involved, notably France and Brazil, can demand the release of the players two weeks in advance of the event, which runs from Jan. 9 to Jan. 20 in Mexico. Theo the players face reac-climatization to Europe's winter,

Europe's sea level atmosphere. It would be hard to exaggerate the risk for major clubs. Italy is not a par-ticipant in the Confederations Cup, not invited to the \$750,000-per-country tournament. But on Jan. 6 and again on Jan. 10. Juventus and Parma and Inter Milan, three Italian teams whose key players are oo call to the Confederations Cup, play crucial matches in Serie A.

On Jan. 6, Juventus visits AC Milan, and Parma entertains Inter. The advantage for AC Milan is clear. It has no French or Brazilian players, but the French duo at the heart of Juve's team. Zidane and his captain, Didier Deschamps, are likely to be called to

The French involvement in Mexico sends ripples across other ponds. Parma loses the ever reliable Lilian Thuram, while Inter Milan could be without Youri Djorkaeff as well as Ronaldo.

We cannot blame the national team coaches of France and Brazil, both of whom are new and who can hardly pass up the privilege of initiating their ideas in a relatively meaningless competition. Bot to show how thoughtless the scheduling is, Saturday, Jan. 9, day one of the Confederations Cup, coincides with potentially decisive games in England, where Arsenal plays against Liverpool, and Newcastle meets Chelsea.

The Chelsea team includes Frank Leboeuf and Marcel Desailly, the French center back pairing of the World Cup final. Newcastle has just bought the French striker Stephane Guivarc'h. And while Liverpool has no French connection, other than coach Gerard Honllier, its opponent, Arsenal, would lose the midfield of Emmanuel Petit and Patrick Vieira, plus the emerging goalscorer Nicholas Anelka

Arsenal is punished for its accent on French flair simply because of the ar-bitrary selection of Confederations Cup participants. Liverpool has a German forward, Karlheinz Riedle, who will not go to Mexico and who could strike Arsenal out of the championship race.

Thus, the confounded Confederations Cup is a capricious friend or foe. The tournament is supposed to be between the reigning champions of each continent, including Saudi Arabia from Asia, Egypt from Africa and, probably, Australia from Oceania. We then get Brazil as title holder, Mexico, as host, and the United States as runner-up in the 1998 Gold Cup.



TAKING WING — Marc Overmars of Arsenal, right, dribbling around Thierry Bonalair of Nottingham Forest. Overmars scored the decisive goal as Arsenal, the English champion, won its season opener, 2-1.

And from Europe? Not the European champion, which is Germany, hut "the best European team at the World Cup," which, of course, is the world champion, France. Germany neither needs the money, nor thinks it will gain much kudos from yet another tournament. The Germans made it plain when the last Confederations Cop was held, in Saudi Arabia, that they thought more of the welfare of their players than the prize of an event of convenience.

The Confederations Cup is a great idea for smaller nations and continents out of the soccer mainstream.

Their regions need exposure. They need television tournaments. They oeed FIFA to rule that the great players must visit them and, ostensibly, spread the gospel of the great game.

Tough luck oo the clubs. Tough luck on players who, if the testimony of Roma coach Zdenek Zeman is credible, are resorting as much to performance-

enhancing drugs as riders in the Tour de France. Players, from Gianlnca Vialli to Alessandro Del Piero, from Dino Baggio to Enrico Chiesa, have appeared hefore Italian magistrates to present their accounts and swear they have not

knowingly beeo fed illegal substances. But in another land, Tony Adams, the mighty defender of Arsenal and England, contemplates early retirement because of the number of painkillers and anti-inflammatory pills he must take to get through the relectless grind at a top cluh as a World Cup year subsides.

His ankle is a mess, he has overcome one addictioo, to alcohol, but fears the aftermath of another. Painkillers are drugs, too, curionsly legal drugs condoned by authorities with a vested interest in pushing players to the limits

Roh Hughes is chief sports writer of The Times of London.

## German Doctor Admits Giving Drugs to Women

BERLIN -- Germany's second doping trial against former East German sports functionaries opened Tuesday with a doctor's confession that he systematically administered performanceenhancing drugs to female swimmers. However, Dr. Ulrich Suender, 58, denied that he knowingly damaged the health of the athletes, some as young as

12 at the time. He said he knew little about possible side-effects of steroids, and had heard they were reversible any-

I believed that," he said.

Dr. Suender, a second doctor and three coaches are charged with caosing bodily harm to as many as 17 young female swimmers on East Germany's TSC Berlin team from 1978 to 1989. Prosecutors say they gave the drugs without telling the minors or their parents what they were taking.

In one case, one of the former swimmer's hormonal balance was so dis-

rupted by the steroids, which she started taking at 13, that she is now sterile.

Dr. Suender testified that he had no reservations about providing anabolic steroids in pill form to the team doctors, which was part of his responsibility. He

denied ever giving steroid injections. Also on trial are Dr. Dorit Roesler, 50, and three coaches, Peter Mattonet, 48, Berndt Christochowitz, 40, and

Klaus Klemenz, 55. The first trial invotves coaches and doctors from the Dynamo Berlin swim

■ Cycling Team Inquiry Ordered

Bordeaux prosecutors on Tuesday ordered police to investigate the Cofidis cycling team after French customs officers confiscated hanned substances from a team truck, court sources said.

The team's manager was questioned hy authorities Tuesday before being released in midafternoon along with the truck driver and the team's mechanic.

#### Spain Denies Doping Report

The Associated Press

MADRID -- The government Tuesday denied allegations by the International Olympic Committee's anti-doping chief that Spanish sports physicians encourage athletes to take performance-

enhancing drugs. Under no circumstances will we allow the good name of Spain's athletics federations and athletes to be smeared," said Eduardo Ayuso, the deputy sec-

retary of state for sports, Prince Alexandre de Merode, the head of the IOC medical commission, told the French newspaper Le Figaro that some Spanish doctors have "re-

jected the ethics of their profession." One must not forget that Spanish sports, for a loog time, has had tendencies toward doping," he said.

"We simply do not understand why he said this," Ayuso said, "In Spain the fight against drugs in sports has been growing for years.

De Merode was responding to comments by the IOC president, Juan Antonio Samaranch, who is Spanish, proposing a reduction in the list of banned

Ayuso said Samaranch is seeking is to update the list and remove substances

that are outdated and rarely used. The IOC executive board is due to meet Thursday to discuss the growing drug scandal io sports. The IOC has scheduled a worldwide anti-doping summit meeting in January.

Phil Coles, an Australian member of the IOC, also criticized de Merode: "A lot of people are hoping he might retire. He's been there such a long time. You never know what he's going to say."

Coles also said the list of banned substances was too long but was likely to grow. "The list belongs to the IOC and its medical commission," Coles said. "It will be very hard to reduce, in fact they might even add to it.'

#### SCOREBOARD

## BASEBALL MAJOR LEAGUE STANDINGS 57 57 540 67 57 533 56 66 459 54 70 435 GB 42 661 --66 55 545 149 61 62 496 209 49 76 392 339 44 90 355 38 Chicago St. Louis

works Sinciair (7), Quantifis (8), Plesac and Fletcher Candiotit, Holzemer (7), mell (7), Groom (9) and Hinch, Escaber 2-1. L—Candiotit, 8-14. —Plesac (2), HRs—Teronto, 5.Green (22), nsec (33), Oakland, Hinch (7).

RB1—JuGormainz, Texass, 119; Belle, Chicago, 104; RPalmein, Ballinore, 105; Griffey Jr. Seattle, 103; M. Rominez, Cleveland, 101; A. Rodriguez, Seattle, 99; TAuritinez, New York, 97.
HTS—A. Rodriguez, Seattle, 159; D. Jeter, New York, 152; M. Vaught, Boston, 151; Ofterman, Kansos City, 151; O. Neill, New York, 148; Higginson, Detroit, 147; GAnderson, Anathelm, 147.
DOUBLES—C. Delgada, Toronta, 37; Jn. Valentin, Boston, 37; Jn. Rodriguez, Texas, 34; GAnderson, Anathelm, 35; Erstad, Anathelm, 34; 6 are tied with 33.
TRIPLES—Offermant, Kansoss City, 11; O. TRIPLES—Offermon, Konsess City, 11; O. Leary, Boston, & Winn, Tompo Boy, 7;

30: Aguillera, Minnesota, 30: RaMyera,
Toronto, 28,

NATIONAL LEAGUE LEADIERS

G AB R H Avg.

Olerad NYM 121 416 63 147 352

Bicheste Col 123 513 77 177 345

LWolker Col 102 376 62 128 340

Kendof Pfi 13 422 73 142 336

VGuerrero Mon 122 480 86 160 333

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Gwynn SO 107 387 57 125 323

Cavillo Mil 119 455 77 145 319

Magraco ChC 119 436 73 139 319

RUNS—Chilones, Attento, 190; Soso.

Gardaparra, Boston, 7; McCrocken, Tompa
Bay, 7; Damon, Kansas City, 7; Dortham,
Chicago, 7.
HOME RUNS—Grilley Jr, Seattle, 42; R,
Palmeira, Balfirnore, 37; A. Rodriguez,
Seattle, 34; Belle, Chicago, 34; McGanzulez,
Seattle, 34; Belle, Chicago, 34; McGanzulez,
Boston, 32;
STOLEN BASES—Henderson, Oakkand,
SS; Lofton, Clavelond, 39; Stewart, Toropha,
37; A. Rodriguez, Scottle, 34; at Li-lunier,
Defruit, 34; Offermon, Kansas City, 34; T.
Godwin, Texas, 31; Nborn, Minnesota, 31.
PITCHING (14 Decisions)—D. Wells, New
York, 15-2, 882, 3.44; Core, New York, 18-4,
818, 3.37; P. Martinez, Boston, 15-4, 789,
Yark, 15-2, 882, 3.44; Core, New York, 18-4,
39; P. Wokefield, Boston, 14-5, 737, A.46;
Petritis, New York, 14-6, 700, 3.65; Clemens,
Toronk, 14-6, 700, 3.65; Rogers, Oakkand,
11-5, 887, 3.12.
STRIKEOUTS—R, Johnson, Seattle, 213;
P. Martinez, Boston, 186; Clemens, Toronk, 14-6, 700, 3.65; Rogers, Oakkand,
185; CFinley, Analyston, 166; Cone, New York, 157; Erickson, Boltimore, 149; Colon,
SAVES—Gordon, Boston, 34; Perchal,
SAVES—Gordon, Boston, 34; Perchal,
SAVES—Gordon, Boston, 34; Perchal,
SAVES—Gordon, Boston, 34; Perchal,
SAVES—Gordon, Say M. Jockson, Cleveland,
37; Aguillert, Minnesota, 39; RoMyers,
Toronko, 28.
Toronko, 28.

Chicago, 30.

STOLEN BASES—Womack, Pittsburgh,
48; Bigglo, Houston, 39; Renderia, Florida, 38;
ECYoung, Las Angoles, 35; Ployd, Florida,
24; Q. Verus, Son Diega, 21; McRoe, New
York, 20; DeShields, 51; Louis, 20; Bonds, San
Francisco, 20.
PTIC-HING (14 Decisions)—Glavine,
Allanta, 16-4, 200, 2,35; K. Brown, San Diega,
15-4, 799, 2,46; A. Leiter, New York, 11-4, 733,
2,36; Ashby, San Diega, 16-6, 727, 2,50; G.
Moddur, Affanta, 15-6, 774, 1,67; Milliwood,
Allanta, 14-4, 700, 4,01; Trachise, Onkono. Atlanta, 14-6. .708, 4.41; Tractisel, Chicago, 12-6, .667, 4.21; Topani, Chicago, 14-7, .667, 4.57; RReed, New York, 14-7, .667, 2.82, STRIKEOUTS—Schilling, Philodelphia,

232: Wood, Chicago, 204: K. Brown, Son Ologo, 198: GMadduz, Alfanta, 157; Dreifort, Los Angeles, 153: Reynolds, Houston, 151: Stoffleenyre, St. Louis, 147. SAVES—Hoffman, Son Diego, 39; Beck, Chicago, 36: Show, Los Angeles, 36: Nen, Son Francisco, 31; Urbina, Montreal, 25: J. Franco, New York, 25: B. Wonger, Howton, 23:

Horsbin 3. Hiroshima 2 (10 mainus) PACIFIC LEAGUE

GOLF PERBLE BEACK NATIONAL

Final scores Monday from the \$2.5 million PGA Pebble Beach National Pro-Am, played on three courses, all par-72: the 4,799-yard

CALVIN AND HOBBES

I KNOW! MAYBE CALVINS AT

THE TIGER PIT, SINCE HE

Poppy Hits Golf Club (s) and the 6,825-yard Poppy Hits Golf Club (p):
Phil Mickelson 65 p - 70 s - 67 b - 202
Tom Pemice Jr. 67 b - 69 s - 67 p - 203

CRICKET SOUTH APRICA VS. ENGLAND

FOOTBALL

NFL PRESEASON MONDAY RESULTS

ndianapolis 30, Cincinnati 27 New England 21, Dollas 3 TRANSITIONS

RASEBALA

AMERICAN LEAGUE
BALTIMORE—Activated LHP Arthur
Rhodes from disobled list. Designated RHP
Bobby Munoz for assignment.
DETROIT—Assigned OF Tray Beamon to
Toledu, IL and recalled OF Juga Encornacion from Toledo.

HA HA, MAYBE CALVIN'S IN THE TIGER PIT, STACE HE LIKE'S TIGER'S 90 MUCH.

NATIONAL LEAGUE
ARIZONA—RECOILED RHP Clini Sodowsky ARIZONA—ROMANIA OM TUCSON PCL.
FOOTRALL

POOTRALL
NATIONAL POOTBALL LEAGUE
DENVER-Released QB Doug Nussmeler,
P Mike Panasuk. WR Kevin Jordan. OL Croig
Novitsky, OY Quahe Ashman and CB Carl
Kldd.

DETROIT—Waived S Sean Hill Added DT

DETROIT—Wolved S Sean Hill, Added DT Mott Keneley to roster.

SREEN BAY—Wolved P Jason Davis, MIAMI—Wolved DE Mike Cholenski, OE Josh Taves, WR Michael Timpson and TE Syll Tucker.

N.Y. GIAMTS—Woived WR John Washington, N.Y. ISTS—Troded P Brign Hansen to Green Bay Packers for undisclosed terms, Wolved LB Carls Wing, G Eric Boteman, DT Victor Tuctugator, and FB Keith Lozowski, PHILADELPHIA—Signed S Dona Holl and S Anthony Marshall to 1- year contracts, Released FB A.J. Jolks, OB Mike McCoy, PK.

leased FB A.J. Jelks, QB Mike McCov. PK Jarel Holmes and TE Kevin Hickman, TAMPA BAY—Signed FB Mike Alstott to S-year Contract extension through 2003.

NATIONAL HOCKEY LEAGUE
CALGARY—Signed O Steve Smith.
EDMONTON—Agreed to terms with G Bob
issense on 1-year confinct. K-Y. RANGERS—Signed G Koy Whilmore. OTTAWA—Re-signed RW Phil Crowe. PHILADELPHIA—Re-signed C Porry While

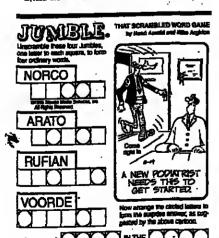
to 3-year contract and OSteve McLoren to 1-year contract. TORONTO—Agreed to terms with F Igor Koroley on multiyear contract. UORTH CAROLINA-Announced OB Phillip

Deas has decided to transfer.

#### DENNIS THE MENACE



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ALL RIGHT, YOU CAUGHT ME ..

NOW WHAT ?

BEETLE BAILEY

WHEN SARGE HAS ZERO

HE'D JUST TELL HIM

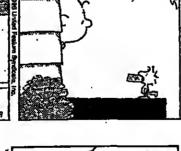
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GARFIELD



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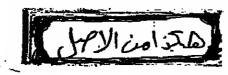
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#### **OBSERVER**

#### A Season's Lament

By Russell Baker

NEW YORK — Calendrically speaking, this is what the British used to call the silly season. It was a time for sightings of the Loch Ness Monster. Meo stately as monuments fled Westminster for Scotland, there to shoot small hirds. Newspapers doubled their usual volume of stories about ghost-infested bouses and messages arriving from beyond the grave.

An annual silly season can be spiritually refreshing to a noble Anglo-Saxon nation like America, which also used to have one but doesn't seem to anymore. During those pauses in the year's tribulations, a nation's duty to improve the human race could be put aside for a few weeks and nonsense permitted to reign.

Here, people rolling in money went to Atlantic City to see the famous diving borse. Street carnivals blossomed in the grimmer sections of cities. A man could board a Ferris wheel in his own block and look down oo the top of his rooming house the top of his rooming house wilest kind of abuse from milthe top of his rooming house and imagine he was Captain Roscoe Turner flying at the Cleveland Air Races.

Eveo Congress shut down and fled Washington. It had to. The Capitol wasn't airconditioned. It's amazing how technology can affect a congressman's sense of duty. All Washingtoo is now so magnificently air-conditioned that

Congress never lenves. City streets were full of people far into the night. Giving up the struggle to sleep oo damp sheets in boiling bedrooms, men and women emerged from houses and sat softly to the sleepless neighbors on the steps next door.
A great deal of silliness still

survives in American Augusts, but it is having a hard time standing up to the grim. sad, pious and solemn scowl that is the prevailing national expression.

In the past 70 years the country has never had such good reason to relax and enjoy a healthy bout of silliness as it has at this moment.

With money, money everywhere, we are free at last free at last! — of ancient en-emies and in such glowing health that we now live oo and on and on, far beyond the age at which our ancestors went down the valley.

You might sensibly antic-ipate that a people so lucky, so blessed with such a delightful era in which to live, might naturally treat themselves to the kind of silliness for which August was made.

Well, there is plenty of silliness in the air, of course. For one, there is Topic A, also known as O. J. Simpsoo II. lioos who think it more critical to American destiny than

the Battle of Saratoga. As an institution, the silly season is probably all washed up in America. We now have the solemn season, which runs 12 months a year. Solemnity hates silliness as intensely as a Puritan hates a good time.

In a less solemn age, Topic A would be the subject of a riotous political comedy from Prestoo Sturges. Imagine Rudy Vallee as president of the United States, and you see what possibilities to make us laugh while seeing things on steps or porches talking clearly are now sacrificed to the principle of all solemnity all the time.

New York Times Service

## Preserving a City's Soul, and Keeping Its Heart

By Michael Kimmelman New York Times Service

FEZ, Morocco — The peak of development for the old walled center, or medina, of this city came during the 14th and 15th centuries, and the place looks as if it has hardly changed since then. There are almost no cars. Mules still lug goods through the narrow, labyrinthine streets. Metalworkers bang on pieces of copper in storefront shops barely higger than steamer trunks. This is a city outside time.

It has also been a religious center for more than 1,000 years, anchored by the Karouinye mosque and university. For first-time visitors, one of the unforgettable experiences is to be awakened around 4 A.M. by thousands of people at morning prayers. The sound fills

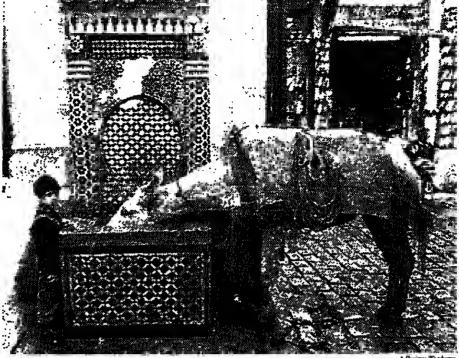
Fez is an ancient place, in other words, but also a functioning city, and one in oeed of repair. Several years ago Unesco named it a World Heritage Site, like the Old City of Jerusalem. But a major difference betweeo the medina of Fez and almost all other ancient city centers in this part of the world is that it remains the hub of the local economy.

The Old City of Jerusalem, for example, is no longer the locus of that city's economy or civic life. Rome, which is a very different kind of ancient city, remains a capital, but at the cost of a certain modernization, as everyone who has dodged the traffic there knows

People from throughout this part of Morocco, on the other hand, still shop in Fez's medina. Weavers work in it as they have for ceoturies. The problem is how to fix up the medina without fundamentally changing it. how to preserve it as a religious and economic center, how to avoid the disasters of couotless downtown areas that have been turned into ghettos or theme parks or been hlighted by shoddy development because of decades of misguided urhan plans.

The remarkable oews about Fez is that it seems to have learned from such mistakes without really having made any yet. Or at least there is an organization here that has begun to do things the right way. The Agency for the De-densification and Re-habilitation of the Medina is now working to preserve not only the great art and architecture of the place but also its most precious commodity, its historic soul.

The agency is still in its infancy, a small organization without much money but with some hig ideas. The implicit question that the agency has raised seems to he no less than, craftsmen in ancient Islamic huilding tech- drawn between the past and the present, so that inextricably linked.



Mules still lug goods through the narrow, labyrinthine streets of Fez's medina.

of a community, of which great architecture and art are parts?

The agency regards the medina as a neigh-borhood whose living links to the past are the city's truest legacy. A historical artifact like a city, it recognizes, has an ecocomic valoe that goes beyond tourism. Consequently the agency is hoping to accomplish several things at once: to repair the major monuments, a project that benefits tourists, but at the same time to improve the infrastructure for residents, cleaning up a polluted water system, for example.

The agency wants to obtain loans for homeowners to fix up their houses and to ease the severe housing crunch in the medina by giving incentives for some people to leave, thereby making it more appealing to the people who stay. It also is trying to rejuvenate industries that have been part of

the life of the medina for a thousand years. The agency has backed a school to train

what is civic culture? Is it an object like a niques, which include the sort of intricate building or a sculpture? Or can it be the life stucco filigree that is one of Islam's great contributions to art. Some of the techniques were nearly forgotten here. Now they are being revived. The idea is that monuments in the medina can be restored in keeping with the original designs, but creatively: Craftspeople have added their own new decorations to huildings where old decorations like painted tiles or carved stucco have been lost.

One case is the Bou Inaniya, a lovely 14thcentury medersa, or religious school, which was a picturesque but complete ruin until recently. With a private grant from King Hassan II to the agency, its stucco designs have been recreated and augmented and the place generally adapted to make a dormitory.

As great examples of religious architecture, such buildings in the West might be treated as museum objects, but here they are considered practical parts of the community. They are being returned to use in a process that provides jobs to local craftspeople doing local kinds of handiwork. In other words, no division is

what's old is made new through what's old. The agency's approach is slow and incremental, and not everyone in Morocco agrees with it. Detractors have asked, Is this the best way to preserve historical monuments? Tradition notwithstanding, wouldn't modern building techniques be more efficient and less expensive?

But the agency is devoted to a broad, long-term view of historical preservation. A private organization, it receives some help from the Moroccan government. It is run by a local man named Abdel-Larif Hajjami, whose father was a religious adviser to the king.

He is a passionate and unshakable spokes-man for his cause. Hajjami's focus was on the major monuments until people in the medina began to complain that their needs were being overlooked. Then a new plan was devised that better took into account the Desperate Con Manage Universities Con

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whole community.

The plan involves some small-scale modernizing intervections, for example, to provide limited access in the medina for ambulances and fire- and sanitation trucks to replace the donkeys. Some miniparks will also be created, because the medina has no places for children to play.

Some of the agency's more conspicuous successes, besides the Bon Inaniya, include the restoration of the Foundouk Nejjarine, a lodge, then a mosque that has now become a handsome woodworking museum in the car-

penters' quarter. In the end the question is whether it will really be possible to make the place more amenable to tourists yet not turn it into a theme park. With Fez especially burdened by building codes and fragmented ownership patterns, can the agency help eliminate the red tape to encourage more homeownership so that residents will feel it is worthwhile

investing in the medina's improvement?
Hajjami sees a few trickle-down effects so far: the hiring in Spain, for instance, of craftsmeo trained in Fez in the old arts of building construction, and voluntary improvements by some homeowners with faith

in the medina's fiscal prospects.

Bot who knows yet? What's intriguing for now is the concept alone. Fez is a reminder that, elsewhere in the world, culture is more a matter of public identity, of local or na-tional self-worth. It is inseparable from the people who made it, and defines them. The lesson here is that the life of the medina, its residents, and its art and architecture are

#### **PEOPLE**

The Long Island home of Madame Chi-aog Kai-shek, widow of the Nationalist-the Pont de l'Alma traffic tunnel.

post-apartheid South Africa, will spend a jet expected to return to South Africa on Oct. year teaching at Emory University in Atgeneral who fought Chinese communists in the 1940s, has been sold. The New York Times reported. Madame Chiang's residence for four decades, sitting on a huge tract in Lattingtown, New York, was sold for more than \$2.8 million to the Stillman organization, a construction company in Manhat-

Carlos Santana, the 51-year-old leader of the group Santana, was honored with a star on Hollywood's Walk of Fame and used the occasion to help inaugurate "Cada Cabeza Es un Mindo/Each Mind Is a World," the Hispanic Media Group's national program to prevent Hispanic children from dropping out

As the anniversary of the death of Diana. Princess of Wales, approaches, 70 percent of French people would like a street or plaza to be named after her, according to a Gallup Poll published in France-Soir newspaper. Since her death last Aug. 31 in Paris, a

Desmond Tutu, the former archbishop who is guiding the reconciliation process in

year teaching at Emory University in Atlanta, Tutu is to preside over a session of the Truth and Reconciliation Commission in Cape Town on Wednesday and leave that evening for Atlanta, a spokesman said. Tutu

New York Times Service PARIS --- Until Oct. 15, visitors to Paris can view the painstaking restoration of three frescoes by Giambattista Tiepolo at the Musee Jacquemart-Andre. The museum, still something of a secret to many tourists, is the only museum in France with frescoes by the Venetian master.

"Henri III's Arrival at the Villa Contarini" is part of a collection of 18th-century art purchased hy Edouard Andre and his wife, the portraitist Nelly Jacquemart, in 1893 to decorate their mansion, which became the museum, at 158 Boulevard

Haussmann in the eighth arrondissement. A circular staircase in the marble winter garden leads to the scaffolding where six

Musee Jacquemart-Andre Restores Tiepolo Frescoes

restorers are uncovering the original blue, pink and yellow pastels used hy Tiepolo when he painted the frescoes in the mid-1750s. The works - one central fresco and two side panels - depict spectators on balconies viewing Henri III's arrival in Venice, where he visited Federigo Contarini, the doge, in 1574.

Three other Tiepolo frescoes decorate ceilings elsewhere in the mansion: "The Announcement of Henri III's Arrival' in the dining room, "Hercules's Triumph" in the study and "Peace and Justice" in the

boudoir. The artist will be the subject of a special exhibition at the museum from Oct. 20 through Jan. 20,

28 to present President Nelson Mandela with the commission's final report.

Record audiences of more than 400,000 over 10 days made this month's 28th Interceltic music festival in Brittany the most attended festival in France, its organizers declared. "We have passed a new threshold. There is no going back," said Jean-Pierre Pichard, director of the festival in Lorient that fuses traditional Celtic music with jazz

A photographer has accused the actor Seao Penn of hitting him with a rock after be videotaped the actor while he walked with his father, the director Leo Penn, on a rural road in California. No immediate charges were filed against Penn, who turned 38 on Monday. The actor, who served more than half of a 60-day jail term last year for violating parole hy punching an extra during

the filming of "Colors," told the police that the photographer, Michael Sindell, lunged

and rock.

at him and was hit.



Carlos Santana on Hollywood's Walk of Fame.



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